

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

London, Tuesday, August 6, 1996

No. 35,282

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Seoul Court Hears Plea To Execute Ex-Leader

Prosecutor Also Wants 2d Former President Imprisoned for Life

By Kevin Sullivan
Washington Post Service

TOKYO — South Korean prosecutors demanded Monday that a former president, Chun Doo Hwan, be executed and that his successor, Roh Tae Woo, be imprisoned for life for presiding over some of the bloodiest days of South Korea's authoritarian past.

Mr. Chun and Mr. Roh, both former army generals, face charges of treason for their roles in the bloody military coup of December 1979, as well as a 1980 military crackdown on democracy advocates in which 200 or more people died.

Both men are also accused of using bribes to amass hundreds of millions of dollars in secret political slush funds. Mr. Chun served as president from 1980 to 1988 and Mr. Roh from 1988 to 1993.

The senior prosecutor in their trial, Kim Sang Hee, told the court in Seoul that Mr. Chun and Mr. Roh should be found guilty and severely punished so that "this trial will serve as a historic landmark by showing that laws and justice rule this land."

"It is the duty of our generation to settle the legacies of a wrongful past," Mr. Kim continued. "We must make sure the criminal acts of destroying the constitution, repressing the freedom of the people or corrupting the national economy by accepting bribes should never be repeated."

Mr. Chun and Mr. Roh have denied the charges against them. No date has been set for a ruling by the three-judge panel hearing the case, but analysts said it could come in the next few weeks.

Both men are widely expected to be convicted. Despite Mr. Kim's calls for the heavy sentences, few in South Korea believe the two will receive such harsh penalties. South Korean judges often impose lighter sentences than those sought by prosecutors.

More important, many South Koreans worry about the spectacle of the government's executing one former president and locking up another for life.

One government official, who asked not to be identified, said both men would probably receive moderate prison sentences from the judges. But, the official said, both would probably be pardoned by President Kim Young Sam and released from prison after serving a few months.

"This is a political matter," the official said. "Their political careers are over. Nothing more would be gained by having these men serve long prison sentences."

The trial of Mr. Chun, 64, and Mr. Roh, 63, longtime friends and classmates at the Korea Military Academy, has come to signify South Korea's attempt to purge the excesses of its bloody military past.

South Korea was ruled by a succession of military leaders until 1992, when President Kim became the first freely elected civilian to take office in more than three decades.

Testimony in the trial has suggested that, for decades, South Korea's mil-

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NETANYAHU IN AMMAN — Prime Minister Benjamin Netanyahu reviewing Bedouin honor guards Monday. After meeting with King Hussein, he said Syria had expressed interest in reopening talks. Page 6.

A Resurgence of Terrorism in Peru

Series of Bombing Attacks Hints at Revival of Shining Path Maoists

By Calvin Sims
New York Times Service

LIMA — Peru's long struggle against the Shining Path guerrilla group has taken a turn for the worse in the last week with a deadly series of bombings and attacks that have raised fears that the insurgency is making a comeback.

While Peruvians have learned to live under the constant threat of terrorism, the latest wave of assaults by the Maoist group, which was once believed to have been defeated, is particularly troubling because it was well coordinated and reached sensitive government and military targets.

The guerrillas bombed a central police station charged with protecting the

Peruvian Congress and the house of a general who is the military chief in a region where the rebels have a stronghold. After assertions that the attacks were made possible by security lapses, the chief of Peru's anti-terrorist police resigned.

Experts on terrorism said that the attacks were the most successful the Shining Path has undertaken since its leaders were captured three years ago. The arrests were considered a turning point in a civil war that has killed more than 35,000 people and cost \$25 billion in damage since 1980.

"If you consider what has happened in the last few days — that the government was forced to remove its director of anti-terrorism because of these

strategic attacks — you have to conclude that Shining Path has started to recover from its long demise," said Carlos Tapia, a Peruvian researcher in terrorism.

Mr. Tapia and other terrorism experts attribute the recent attacks to new leadership in the guerrilla organization, which was severely crippled when the military captured Abimael Guzman Reynoso, Shining Path's founder. After his arrest, he called for his comrades to forge a peace with the government. Many subsequently turned themselves in under a government amnesty program.

After the capture of its leaders, Shin-

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U.S. Sets Sanctions On Investors in Iran

Law Also Targets Libya Deals; Europeans Express Outrage

By Brian Knowlton
International Herald Tribune

WASHINGTON — Taking aim at what he called "two of the most dangerous supporters of terrorism in the world," President Bill Clinton on Monday signed a bill establishing sanctions against any foreign entity that invests in petroleum projects in Iran or Libya.

France, which has joined other European governments in decrying the bill, immediately protested.

At a White House signing ceremony attended by relatives of victims of the 1988 bombing of a Pan Am jumbo jet over Scotland and by two men once held hostage in Tehran, Mr. Clinton said the bill would "help deny those countries the money they need to finance international terrorism." The Pan Am bombing, U.S. and British officials contend, was done by Libyan agents.

But in Paris, a Foreign Ministry spokesman said the measure would "create a particularly dangerous precedent for the security and development of commerce."

The spokesman, Yves Douriaux, added that France and its European Union partners would move to protect any companies that might be hurt by the law.

Asked about the French stance, Mr. Clinton said: "Well, of course, that's their decision to make. But every advanced country is going to have to make up its mind whether it can do business with people by day who turn around and

fuel attacks on their innocent civilians by night."

He said the United States would proceed alone if it had to.

The State Department spokesman, Nicholas Burns, said the U.S. case in more stinging terms, saying there was a "very clear difference of view" with European governments, which, he charged, "prefer to sit back and hope that Iran will be nice."

Mr. Burns told a news briefing it would be "unwise" of the Europeans to retaliate against the United States, "because they would be acting contrary to their own self-interest."

The U.S. government has offered no evidence linking Iran or Libya to the crash of TWA Flight 800, which took the lives of all 230 on board, or to the bombing at the Atlanta Olympics, which led to two deaths. U.S. intelligence officials have said they suspect Iranian involvement in the June bombing that killed 19 U.S. servicemen in their quarters in Saudi Arabia.

Mr. Clinton, particularly in this presidential election year, has been under intense pressure to act against terrorism.

The measure signed Monday requires the president to impose two or more of six possible sanctions against foreign individuals or companies that invest \$40 million or more a year in gas or oil projects in Iran and Libya.

The possible sanctions are: denying Export-Import Bank loans, denying export licenses, barring U.S. banks from

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Dole Offers 15% Tax Cut As Heart of Campaign

Democrats Criticize Reaganesque Plan

Republican Reopens A Classic Dispute

By Richard W. Stevenson
New York Times Service

WASHINGTON — Seeking to reenergize his Republican presidential campaign, Bob Dole on Monday proposed a Reaganesque across-the-board tax cut of 15 percent. "We are the party of change," he asserted.

Mr. Dole's \$548 billion, six-year plan would also cut the capital-gains tax rate in half and establish a \$500-per-child tax deduction.

The bold package of tax cuts — which relies in part on a spurt of economic growth to finance it — was designed to become the centerpiece of Mr.

Dole adjusted to his war wound by reconfiguring his life. Page 2.

Dole's campaign. President Bill Clinton, responding to the Dole package, asserted: "It will balloon the deficit, raise interest rates and weaken the economy."

In answering the problem of both balancing the budget and cutting taxes, Mr. Dole said: "There is no magic in fixing this problem. With today's pro-growth Republican Congress, cutting taxes and balancing the budget are just a matter of presidential will. If you have it, you can do it. I have it. I will do it."

"As of this moment, Bill Clinton and his party are the defenders of the status quo. We are the party of change," Mr. Dole said.

He said he wanted to finish "the job Ronald Reagan started so brilliantly." The Dole campaign put the price tag of the economic package at \$548 billion over six years and suggested that it would mean lower taxes for 90 million Americans.

The White House and President Clinton's re-election campaign assailed the proposal even before it was formally presented.

"The plan is simply incredible. Simply incredible," Laura Tyson, head of the president's Council of Economic Advisers, said on a television news program. "This plan will simply blow a huge hole in the deficit."

Gene Sperling, White House economic adviser, suggested that Mr. Dole's pack-

NEWS ANALYSIS

on being able to persuade the electorate to come down on his side of a complex and often bitter dispute: whether it is possible to slash taxes in the American political system without sending the deficit sky-high again, and if so, whether the smaller government that results will lead to faster economic growth and improved living standards.

It is not an easy dispute to follow, much less conclude, because it involves an array of questions: such as how much additional growth tax cuts might generate, how much human behavior is changed when economic incentives are changed and to what extent do political leaders have the desire and the will to cut spending more than they have so far.

In assessing the credibility of Mr. Dole's plan, both sides of the argument point to the 1980s, but they focus on completely different consequences of the Reagan tax cuts and draw completely different conclusions.

"In the 1980 election, the Republican presidential candidate, Ronald Reagan, promised a tax cut, and Bob Dole led the effort to implement it," said Senator Spencer Abraham of Michigan, a Republican and one of the first and most influential backers of Mr. Dole's plan.

"The result was we got the longest peacetime expansion in history."

But in an advertisement in The New York Times on Sunday, the Concord Coalition, a fiscal watchdog group led by two Republicans, Warren Rudman, a former New Hampshire senator, and Peter G. Peterson, commerce secretary in the Nixon administration, and a Democrat, Paul Tsongas, a former Massachusetts senator, argued that a big tax cut now would be fiscally irresponsible.

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AGENDA

Londonderry Talks Stalled

BELFAST (Reuters) — Talks in Londonderry, Northern Ireland, ended Monday without an agreement on preventing a feared outbreak of violence over a controversial annual Protestant march.

But negotiators for the Protestant Apprentice Boys organization and Catholics who oppose the march planned to meet again Tuesday to try to settle the dispute.

In Londonderry, Catholics said the route for the Aug. 10 march, which commemorates "Protestant defenders" who defeated an attempt by a Catholic king to conquer the city in 1689, would bring them too close to Catholic-owned homes, and they want it re-routed.

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UNREST IN SOMALIA — Hussein Aidiid during a speech Monday in Mogadishu. Enemies of Mr. Aidiid and his slain father threatened more fighting. Page 6.

Atlanta Rates Only a Silver Medal for Its Games

By Ian Thomsen
International Herald Tribune

ATLANTA — There was a segment in the closing ceremony that symbolized the enormous strain Atlanta has been under for the past six years, since it was first awarded the Centennial Olympics. It was frantic and fragmented, there were fireworks, a woman in tinsel screaming operatically, bicyclists with sparklers coming out of their bicycles, skateboarders and rollerbladers and more cyclists riding up and down extreme ramps.

The Olympics have grown too big and too complicated to be able to give Atlanta a simple "thumbs up" or

"thumbs down." That, more than anything, seemed to be the lesson from 16 days of competition at America's southern junction. These Games benefited from terrific athletic achievement, yet they also drifted away from the spirit that was almost perfected four years ago in Barcelona. Now it will be up to Sydney — under the policing of the International Olympic Committee, if it is up to the job — to put things right.

Overwhelming all of the criticisms was the singular achievement of Billy Payne, who a decade ago invented the Atlanta Olympics out of nothing more

than a desire to do something worthwhile and personally satisfying.

The IOC has probably wanted to distance itself from the logistical and commercial difficulties of the Atlanta organization. Those difficulties, however, seemed to be natural outgrowth of the IOC's larger success. After the 1976 Games in Montreal with a debt, the IOC righted itself through the commercial prosperity of the 1984 Games in Los Angeles.

These Olympics followed that very plan to its natural, overwhelming conclusion. These were the biggest, most

commercial Olympics ever. From the beginning the Atlanta bid was at the mercy of the corporations who would fund the Olympics. Sponsors couldn't care less about bus schedules, or drivers — or buses. Even IBM couldn't be counted upon to make its own Olympic computer system right.

As for Atlanta, it had never held anything much bigger athletically than a Super Bowl, which is hardly an introduction to international entertaining.

Of course, it was Atlanta's responsibility to fulfill all of its promises. It

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Hello, Tomorrow — It's a Wake-Up Internet Call

By Peter H. Lewis
New York Times Service

NEW YORK — Sometimes Internet technology moves faster than the speed of sound.

Nearly 400 Intel Corp. engineers were waiting for Brian Frank to stage a demonstration of Internet telephones last week at a business meeting in Oregon, when suddenly his laptop computer started ringing.

Mr. Frank, a summer intern, had just finished loading new software that would let him place a phone call from his laptop to an associate's PC backstage. But

before he could make the call, someone in Norway had seen Mr. Frank's network connection pop up on an Internet phone directory on the World Wide Web and dialed him up.

Though it was 2 A.M. in Norway, the caller was so enamored of this new technology that allows him to bypass his country's pricey long-distance telephone service that he was giddily calling whomever he could find logged onto the Internet using similar phone software.

"It was crystal-clear audio, with no delay, all the way from Norway," recalled Mr. Frank, a junior at

Cornell University in New York state. As the audience listened, Mr. Frank and the Norwegian carried on an impromptu discussion about the rapidly evolving world of "Internet telephony," as this voice-over-the-Net technology is known.

For the Intel engineers, it was an industry wake-up call. Hitherto a hacker's hobby, the use of microphones and computers to place phone calls, send faxes and transmit pager signals over the Internet now seems ready to emerge as a serious business opportunity.

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Newsstand Prices

Bahrain	1,000 Din	Malta	55 c.
Cyprus	£ 1.00	Nigeria	125.00 Naira
Denmark	14.00 D.Kr.	Oman	1,250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£ 0.50	S. Africa	R12 + VAT
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Korea	£ 1.50	U.S. Mil. (Eur.)	\$ 1.20
Kuwait	800 Fil	Zimbabwe	Zim \$30.00



That War Wound: How Dole Reconfigured Himself

Sorry, no secretaries are available, Professor Ahrens said, but he felt sympathy for Mr. Dole's burden and offered another proposal: "Why don't you outline the high points of your answers



His capacity to listen became a notable characteristic of Mr. Dole the legislator and politician. Colleagues and members of his Senate staff knew that even if he gave no indication that he

People around him noticed that his mind worked quickly in a linear way, memorizing one fact and then another but that he proved less adept at associative and creative thinking, placing several ideas and events into coherent patterns. He was, in that sense, an intense yet

use his brain, his days would have become excruciatingly tedious. When wondering what drives him, why he often has five meetings going at once, why he keeps running for things at an age when most people ease into retirement, it is important to remember that the wound made him especially afraid of being bored.

About 15,000 refugees returned to Rwanda that month. (Reuters, AFP)

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Officials Press

THE AMERICAS

Uncertainty Over Flight 800 Passenger List Raises Questions on Baggage

By Barry Meier and Pam Belluck
New York Times Service

NEW YORK — In the hours after Trans World Airlines Flight 800 exploded and fell into the ocean, the airline issued conflicting information about how many passengers had been on board.

It took 12 hours to verify the passengers' identities and to determine that some travelers, including three people bound for Rome, had not in fact been on the ill-fated plane.

When the airline finally released a full list, several passengers' names were incomplete.

Federal investigators now say that TWA's delay in counting and identifying passengers has set off alarm bells for a potentially even more serious reason.

They are examining whether it would have been possible for someone to put a bomb in a piece of luggage and check it through to Paris but not board the plane.

Security experts say the system of matching bags to passengers at U.S. airports is more vul-

nerable to deception and inaccuracy than the system at European airports, where security guards monitor the process at each critical step.

In the United States, most airlines have bag-matching systems that are similar to that of TWA, and investigators say that any flaws found in the bag-matching procedures for Flight 800 could raise questions about the quality of other airlines' procedures.

"There is no way any bag on its way to the U.S. can get onto a plane without going through security," said Philip Baum, who until recently was a senior official with the TWA subsidiary that handles security at overseas airports. "But coming out of the U.S., it's a different story."

A TWA spokesman, Mark Abels, said the airline had made sure that every checked bag in the cargo hold belonged to someone on board.

"Every piece of luggage on the plane was matched to each passenger and accounted for," Mr. Abels said.

Investigators have said that the forward sec-

tions of Flight 800 were torn from the rest of the plane by an explosion. Although they have not reached a definitive conclusion, a leading theory is that a bomb in the forward cargo hold, in a toilet cubicle or on a food cart, was the cause.

The U.S. system of matching bags to passengers is less secure than the European system, experts say.

The front cargo hold contained only checked luggage, according to investigators.

Compiling accurate passenger lists and matching each checked piece of luggage to a passenger are cornerstones of aviation security.

Congress passed a law in 1990 requiring airlines to confirm that every checked bag on international flights belongs to a passenger.

The legislation stemmed from the 1988 destruction of Pan American Flight 103 over Lockerbie, Scotland. That disaster was caused by a bomb concealed in a suitcase checked in by a passenger who did not board the flight.

"The passenger manifest and the luggage match is a critical part of security," said Kurt Wurzbacher, director of security operations at the Fairfax Group, a security consulting company in Falls Church, Virginia. "If an airline is not using that system the way it is designed, it could create a serious vulnerability."

The 1990 law also required airlines to compile a complete passenger list, including full names, passport numbers and emergency phone numbers, for international flights. Under the law, airlines must make this information available within three hours of any crash outside the United States, and Congress is considering a similar proposal about domestic crashes.

But while the bag-matching requirements have been put into effect, the passenger list law has not, in part because of opposition by airlines, which cite the costs and the fear of worrying passengers by demanding so much information.

In the case of Flight 800, TWA officials began

trying to confirm the identity of those aboard about 30 minutes after the crash, Mr. Abels said. At 11:30 P.M., they put the number at 229.

Twelve hours later, they changed it to 228. Finally, airline officials confirmed that 230 people had been aboard.

A former director of security for Northwest Airlines, Douglas Laird, said bag-matching procedures used in the United States provide good safeguards against terrorism but are not fail-safe, in part because they depend on properly trained and honest baggage handlers.

Federal investigators say they have questioned baggage handlers who loaded luggage onto Flight 800.

Now, they are also scrutinizing the passenger manifest to make sure it accurately represents all those who boarded the plane.

At the request of the Immigration and Naturalization Service, U.S. airline representatives at European airports already collect detailed information on passengers bound for the United States by using computers to read passports during boarding.

'Major Chore' For Workers Unraveling TWA Wreck

The Associated Press

EAST MORICHES, New York — A large chunk of the fuselage from TWA Flight 800 was brought to land by barge Monday, adding to wreckage that investigators say is so battered it is difficult to mine for clues.

The barge that arrived Monday at the Coast Guard station at Shinnecock Inlet carried a half-cylindrical section of 15 to 20 feet (4.5 to 6 meters), which exposed interior metal ribs and appeared to be from the plane's underbelly. Divers were still working to try to retrieve part of the cockpit's outer shell.

"It's going to be a major chore" to figure out "what it all means and to take it apart," Robert Francis, vice chairman of the National Transportation Safety Board, said Sunday, describing an earlier recovered cockpit section as a mass of wires, metal and gaskets. "This is going to take some time."

Mr. Francis said the recovered cockpit section, estimated to weigh a ton, was pierced by a large, unidentified beam from another part of the aircraft when it exploded July 17, 10 miles off Long Island, killing all 230 aboard.

A person familiar with the investigation, who spoke on condition of anonymity Monday, described the beam as a "body rib" from a part of the plane adjacent to the cockpit.

Time magazine reported that the CIA was investigating an Iranian connection in the possible sabotage of the jetliner. Calls and transmissions out of Tehran "have raised suspicions," Time said, citing what it described as a well-placed U.S. intelligence source.

There also may have been a meeting of terrorist leaders in Iran a month before the explosion, where a green light for the attack could have been given, Time said in its Aug. 12 issue. The magazine's source acknowledged that intelligence gathered so far is "vague, nothing solid."

President Bill Clinton signed a bill Monday that would punish foreign businesses that invest in Iran and Libya, countries he described as "two of the most dangerous supporters of terrorism in the world."

The cockpit section was pulled from the bottom of the Atlantic on Saturday night, with the body of the pilot, Ralph G. Kevorkian, 58, of Garden Grove, California, still strapped into his seat. The body of the flight engineer, Richard G. Campbell, 63, of Ridgefield, Connecticut, was also recovered.

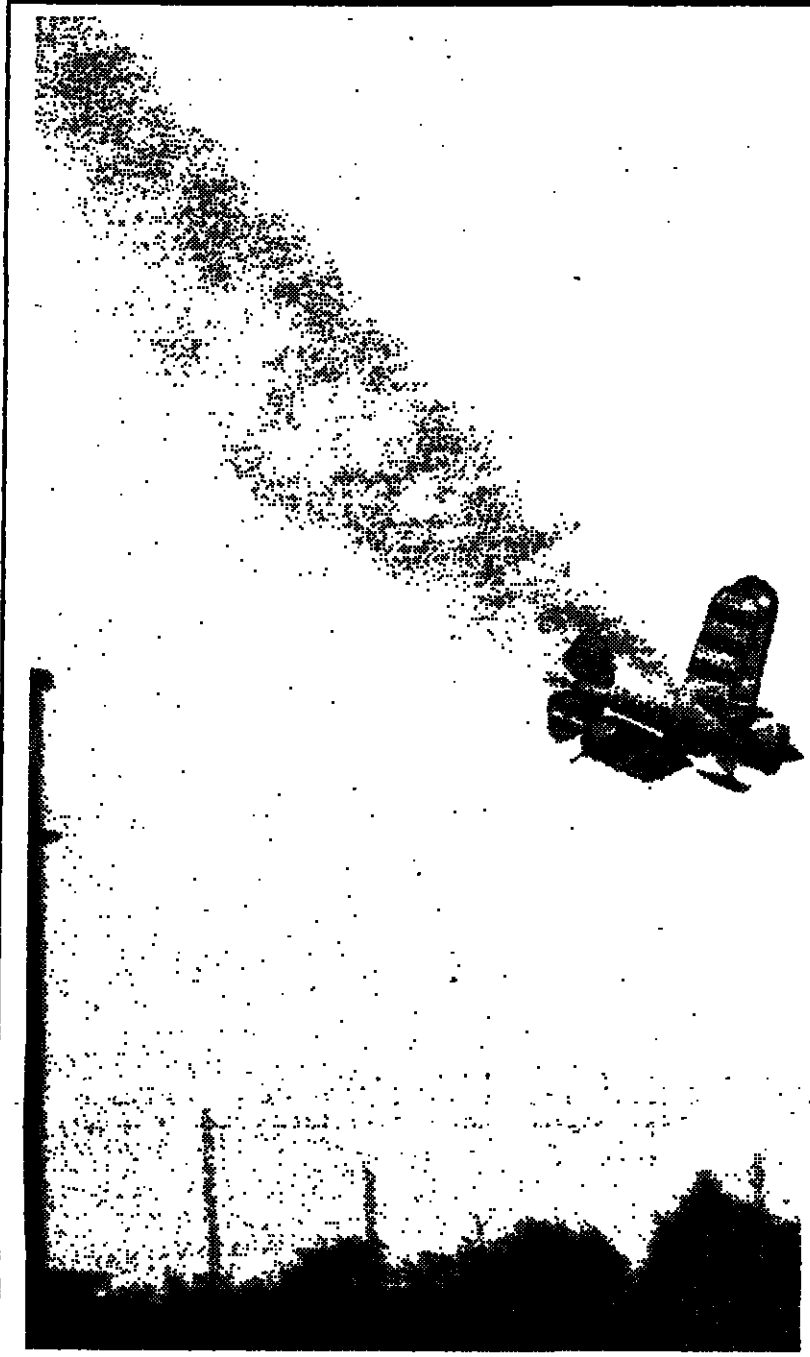
The recovery of bodies — 194 by Sunday, leaving 36 missing — and the retrieval of baggage loads of wreckage were major weekend strides in a disaster investigation that had been frustrated for days by bad weather.

Wreckage will be inspected for explosive residue, which would suggest a bomb, said a person familiar with the investigation. A missile attack and mechanical failure also have not been ruled out.

James Kallstrom, who is heading the FBI investigation into the explosion, said seeing "that mass of jumble of wires certainly brought home to me how difficult it's going to be — to try to put that all back together again."

"Basically, it's just a solid pile of debris all mixed together," Mr. Kallstrom said.

It was unclear how many of the cockpit's 900 gauges and dials and gadgets were in the recovered section. An instrument panel — perhaps frozen in time — could yield clues about engine speed or how the plane was reacting.



OUT OF CONTROL — A biplane flown by a stunt pilot, Clarence Speal, plunging toward the Ohio River in Pittsburgh after the left wings tore off during a performance. His fate was not immediately known.

Striving to Define a Republican Kansas Senate Primary Exposes Ideological Split

By Dirk Johnson
New York Times Service

OVERLAND PARK, Kansas — This is a state that has not elected a Democrat to the U.S. Senate since 1932. And that is not likely to change soon.

But the Republicans are hardly one big happy family. In the Republican contest Tuesday for the nomination to seek Bob Dole's vacant Senate seat, a serious ideological rift has erupted in the primary fight between Sam Brownback, a hard-charging conservative, and Sheila Frahm, who is an old-fashioned moderate.

The race has provoked a debate among many party loyalists about what it means to be a Republican. It is a clash that also reflects a larger battle now roiling the Republican Party across the United States, a tug-of-war over issues like abortion and school prayer.

"It's really been quite bitter," said Russell Getter, a political science professor at the University of Kansas in Lawrence. "I've not seen anything so heated and pointed in Kansas politics in the 25 years I've lived here."

Recent polls show a dead heat in the race between Mr. Brownback, a freshman congressman and a lawyer, and Mrs. Frahm. As lieutenant governor, she was appointed to the Senate vacancy after Mr. Dole resigned in June to concentrate on his race for president.

Coming just before the Republican convention, which takes place next week in San Diego, the Kansas primary is being closely watched as a measure of the Christian Coalition's strength, especially given such a vivid choice between candidates.

"For evangelicals, this is going to be an extremely important election," said Burdette Loomis, a political science professor at the University of Kansas. "They're not going to come out of this the same they went in. Either they're going to emerge with a bigger foothold in Republican politics, or they're going to be found wanting."

Mr. Brownback, 39, opposes legal abortion and favors a constitutional amendment allowing school prayer. Mrs. Frahm, 51, takes the opposite positions.

Mr. Brownback, one of the brash young leaders of Republican freshmen on Capitol Hill, promises a radical reduction in the size of the federal government, saying he would abolish the Departments of Education and Housing, among other cabinet-level agencies.

Mrs. Frahm, meanwhile, has criticized what she calls the slash-and-burn approach on her party's right wing.

Mr. Brownback, who describes himself as a born-again believer, often talks

our society is that God is missing," said Vic Clark, 46, a supporter of Mr. Brownback. "But people don't want to hear that."

Mr. Clark said he wanted vouchers that would help pay the tuition of his children, who attend a private Christian school, and a cut in taxes.

Diane Devine, 32, shook her head at the mention of Mr. Brownback and the Christian Coalition.

"I'll be voting for Frahm," said Ms. Devine, who is an importer of coffee beans. "Abortion is a woman's choice — period."

A poll published on Friday in The Kansas City Star showed Mr. Brown-

A Midwestern contest pitting a strong-charging conservative and an old-fashioned moderate is being seen as a test of the strength of the Christian Coalition.

back leading Mrs. Frahm 43 percent to 41 percent, with 16 percent undecided. Among voters who say they support the Christian Coalition, Mr. Brownback leads Mrs. Frahm by a huge margin, 67 percent to 22 percent. Those who did not identify themselves as Christian Coalition supporters, the poll found, supported Mrs. Frahm by 51 percent to 31 percent. Among the male respondents, Mr. Brownback held a 15-point lead, while Mrs. Frahm held an 11-point lead among the women.

Senator Nancy Landon Kassebaum — who is retiring from the Senate after three terms — has endorsed Mrs. Frahm. Mr. Dole has pledged neutrality, but it is widely believed in Kansas that he is more comfortable with Mrs. Frahm's old-guard Republican style than with the conservatism of Mr. Brownback.

"It's all going to depend on turnout," Professor Getter said. "The moderates you can never depend on. They tend to take things for granted. We know the religious right will show up."

Well-educated and prosperous, the Republican voters here would seem to be united — until it comes to social issues with religious overtones, especially abortion.

"I think the bottom-line problem in

POLITICAL NOTES

Michigan Governor Still on Dole's List

SAN DIEGO, California — Governor John Engler of Michigan, a vocal Republican voice for tax cuts and welfare reform, is getting a second look as Bob Dole's deadline for selecting a running-mate draws near, Republican sources said Monday.

The sources, speaking on condition of anonymity, said that Mr. Engler met Sunday with Mr. Dole's campaign manager, Scott Reed, to discuss the No. 2 spot on the Republican ticket.

Mr. Engler is one of four Midwestern governors contacted by Mr. Dole's search team. Two of them, George Voinovich of Ohio and Tom Ridge of Pennsylvania, have removed their names from consideration.

Until Monday, Mr. Engler had not figured prominently in the vice presidential speculation.

Mr. Engler withheld an endorsement of Mr. Dole until just before the Republican primary in Michigan.

Associates of Mr. Engler's also have speculated that Mr. Dole would have a hard time selecting the governor as a running-mate because Mr. Engler was disqualified for the Vietnam-era military draft because he was a few pounds overweight. (AP)

A Time Limit on Republican Stem-Winders

WASHINGTON — The good news about the Republican convention: few speeches will be longer than 10 minutes. The bad news: there will be dozens of them.

Organizers of the Aug. 12-15 presidential nominating convention in San Diego, California, are working hard to make the four-day Bob Dole love-fest palatable to television viewers, but they realize that this may be an uphill fight.

To rein in the long-winded, only a few speakers — presumably including the laconic all-but-certain nominee, Mr. Dole — will be permitted to talk more than 10 minutes. Most speeches will be five or six minutes long.

A partial list of speakers reads like a Who's Who of the Republican Party: George Bush and his son Governor George W. Bush of Texas, Gerald Ford, Nancy Reagan, Governor Christine Todd Whitman of New Jersey, General Colin Powell and Representative Susan Molinari of New York, the keynote speaker. (Reuters)

Gingrich Assails FBI Over Files Case

WASHINGTON — House Republicans refused to support expanded wiretapping authority for the FBI last week because the agency mishandled a controversy over its disclosure of files about former officials from the Bush administration, according to the House speaker, Newt Gingrich.

Mr. Gingrich, Republican of Georgia, sharply criticized the FBI's "current leadership" for weakening the agency's standing on Capitol Hill, citing in particular its decisions to hand the files over to the White House personnel-security office and give other White House staffers a briefing about a politically sensitive report concerning that office.

He joined several other senior House Republicans on Sunday in demanding the resignation of FBI general counsel, Howard Shapiro, who has taken responsibility for mishandling the files controversy.

But Attorney General Janet Reno, defended Mr. Shapiro on ABC television as "a wonderful, wonderful force in the FBI" who "regrets what he did."

Echoing recent criticism by Representatives William Clinger Jr., Republican of Pennsylvania, and Robert Livingston, Republican of Louisiana, Mr. Gingrich said that Mr. Shapiro should not have tipped off the White House that House Republicans were investigating a confidential report by an FBI agent recounting that Craig Livingstone had been hired at the instigation of the first lady, Hillary Rodham Clinton. Mrs. Clinton has said she had nothing to do with Mr. Livingstone's appointment.

During their own television appearances, Ms. Reno and the White House chief of staff, Leo Panetta, both trained their fire on Republicans in the House for removing the wiretap provisions from an anti-terrorism bill before sending it to the Senate last week, shortly before Congress recessed for the month.

They said the remaining provisions in the House bill would have only a marginal impact on law-enforcement activities. (WP)

Quote/Unquote

Mark Sanders, a spokesman for the Republican convention: "We've been doing conventions the same way for 100 years; politicians stand up, make long speeches and, basically, that's it. In the day of the remote control, you can't do a convention like that. ... With all the other entertainment options out there, they'll go someplace else." (Reuters)

Away From Politics

• Robert Vesco, the fugitive American financier on trial in Cuba on charges he tried to produce and market a new cancer drug behind the Cuban government's back, ended his defense by maintaining his innocence and telling the court, "I came to Cuba, in a broad sense, as a refugee." Mr. Vesco settled in Cuba after fleeing the United States 25 years ago to avoid charges of bilking investors of \$224 million. (AP)

• Police swarmed the streets in riot gear and closed a Latino festival in the heart of Washington, D.C., after random violence escalated into gunfire that wounded three teen-agers in two separate shootings. (AP)

• Commerce Secretary Mickey Kantor and his Mexican counterpart, Hermine Blanco, opened a three-day border conference Monday in San Antonio, Texas, by emphasizing the importance of trade in generating jobs on both sides of the border. (AFP)

• Investigators in Yazoo City, Mississippi, believe children started a fire that heavily damaged the temporary home of a small black Baptist church, the pastor said. (AP)

• Paleontologists in Utah have been using a homemade "radiological surveyor" to locate fossils buried in solid rock, including two never-before-seen dinosaurs. The device, the brainchild of a university radiation analyst, can pinpoint faint radiation emanating from a dinosaur fossil through stone up to a meter thick. (AP)

• A man who scaled a 400-foot radio tower told the Miami police that he wanted to become Bob Dole's running mate and spread the word that God wanted more horses and bicycles in the world. (Reuters)

• Violence in the United States against Americans of Asian and Pacific backgrounds increased slightly in 1995, according to a private report. Researchers documented 458 incidents last year, compared with 452 cases in 1994 and 335 incidents in 1993. (AP)

• State drug agents have raided the San Francisco headquarters of a group that sells marijuana to AIDS, cancer and other terminally ill patients and shut the operation down. (AP)

Officials Press Atlanta Bomb Inquiry; Guard Gets New Legal Aid

The Associated Press

ATLANTA — With the Olympics behind them, the authorities are focusing on solving the bombing that marred the Games.

And Richard Jewell, the security guard who has become the focus of the investigation of the bombing in Centennial Olympic Park, has enlisted the help of a prominent Atlanta criminal defense attorney, according to broadcast and newspaper reports.

Watson Bryant, Mr. Jewell's attorney since the security guard was identified as a suspect in the July 27 bombing, did not return repeated telephone calls Sunday.

But he told CNN that Jack Martin, a criminal defense lawyer, would help

advise Mr. Jewell. Mr. Jewell left his apartment Sunday with Mr. Bryant, but it was not clear where they went.

Mr. Jewell, at first credited with limiting loss of life in the bombing, has given hair samples and fingerprints to FBI agents, and the authorities have searched his home, cabin and former work place.

Mr. Jewell has denied wrongdoing. Mr. Bryant told CNN he planned to ask federal authorities to unseal their search warrants.

He said Mr. Jewell had been co-operating with investigators, "giving them whatever the hell they want so they'll get out of our lives."

But Mr. Bryant balked at allowing the

FBI to make a voice recording of Mr. Jewell, saying he needed more information. Investigators have a tape recording of an unidentified man who called 911, warning of a bomb in the park.

A friend who visited Mr. Jewell on Sunday said that he was downcast about the negative publicity around him.

"He's really depressed," Sabon Brown said after the visit to Mr. Jewell's apartment. "He wants to be left alone. I don't think he's too worried about the case. He's worried about the press."

"He wants his life back," Mr. Jewell's friend added.

An FBI spokesman, Jay Spadafora, said the investigation of the bombing was continuing. He declined to com-

ment further. The FBI has said more than one suspect is being considered.

The blast killed Alice Hawthorne, 44, of Albany, Georgia, and wounded more than 100 other people.

Killing Probe Focuses on Gang

The police have said that a shooting in which a member of the Indiana National Guard was providing security for the Olympics was killed and another guard was wounded may be gang-related. The Associated Press reported from Doraville, Georgia.

The police were working from a sketchy description as they tried to track down the gunman, who jumped from behind bushes and began firing early

Sunday in Doraville, an Atlanta suburb.

Specialist Juventino P. Silva, 25, of Highland, Indiana, died of multiple gunshot wounds, a police spokesman said. Sergeant Danny L. Cook, 43, of LaPaz, Indiana, had his head grazed by a bullet. He was treated at a hospital and released.

The guardsmen, off duty and wearing civilian clothes, were shot only hours before they were to return home from duty at the Olympics.

A police major, Clifford Edwards, said that gang initiations sometimes involve shooting people chosen at random.

"We are focusing our efforts now on a gang initiation," he said.

ASIA/PACIFIC

Troops Kill 200 Rebels In Sri Lankan Assault

Tamils Report Felling 100 Soldiers

The Associated Press

COLOMBO — Sri Lankan troops advanced toward the rebel stronghold of Kilinochchi, killing more than 200 guerrillas in fierce fighting, the military said Monday.

A military statement said 14 soldiers were killed and 32 wounded in Sunday's battle, but other people in the military put the number of army dead at 31, with 98 wounded. Official casualty estimates are often low.

Army officers said they had counted 203 dead rebels and estimated that 100 were wounded.

The rebels, in a statement from their London office, said more than 100 soldiers were killed and five tanks destroyed. Sri Lankan officials in the capital, Colombo, denied the rebel claim.

The Tamil Tiger guerrillas last December moved their political offices to Kilinochchi, 280 kilometers (175 miles) north of Colombo.

From their stronghold, the rebels barred the advancing troops with mortar fire and rocket-propelled grenades from their bunkers, said a military spokesman, Major Tilak Dunuwille.

Warplanes bombed and strafed rebel bases at Mankulam and Murikandy,

towns south of Kilinochchi, other military officials said.

Independent accounts of the fighting were unavailable, since journalists are not permitted in the region and civilian communications with the rebel-controlled north have been broken for years. The Red Cross and other relief agencies have evacuated the war zone, along with 100,000 civilians.

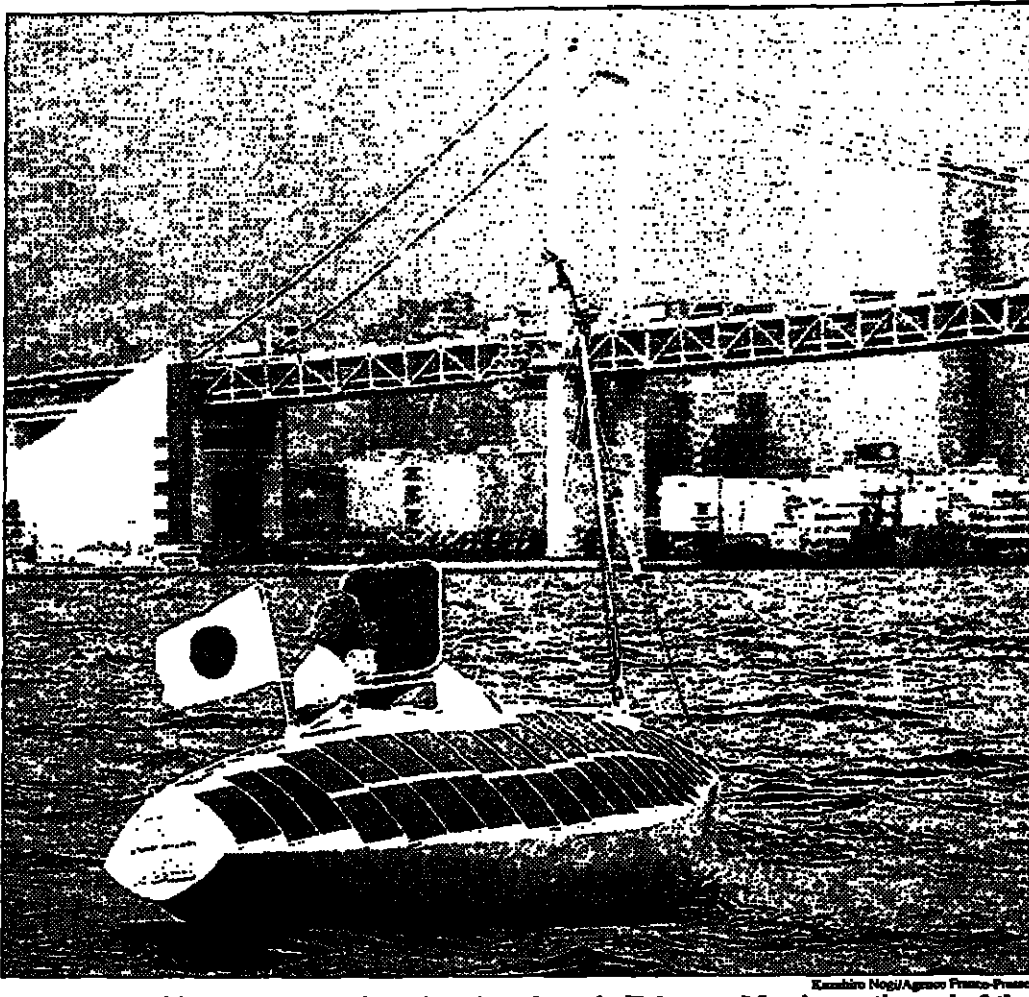
Sunday's fighting broke an eight-day lull in the offensive that has claimed 300 lives. The rebels are fighting for a separate homeland for minority Tamils in the north and east and accuse the Sinhalese majority of discrimination in education and jobs.

Presidential Bodyguard Is Shot

In Colombo, a sniper shot and wounded one of President Chandrika Kumaratunga's bodyguards at a Buddhist shrine that she was scheduled to visit, the Associated Press reported.

Mrs. Kumaratunga had canceled her visit to the central Sri Lanka shrine at the last moment for security reasons. The site is only 50 kilometers (30 miles) from areas controlled by Tamil rebels.

The bodyguard was hospitalized and in stable condition, police said.



SOLAR CROSSING — Kenichi Horie, 57, arriving in Tokyo on Monday at the end of the first Pacific crossing in a solar-powered boat. He set out from Salinas, Ecuador, on March 20.

U.S.-Japan Trade Talks: Passion Spent, the War Is Over

By David E. Sanger
New York Times Service

VANCOUVER, British Columbia — Only a few years ago, major trade negotiations between Japan and the United States had an air of epic struggle about them. These were not only arguments about money, politicians and economists insisted, but also about national economic security and dominance of the new technologies that define national power.

But as Japanese and U.S. negotiators argued from sunrise to sunset last week in this gracious Canadian port city about what is unquestionably one of the most important technologies of the next century — trade in the computer chips that are the heart of every computer and telecommunications system — it was clear that the aura had faded.

All the old trappings of trade battles past were still there: Warnings that the talks were about to collapse, endless room-service caffeine, tense phone calls back to the White House and to the Japanese prime minister's office, as President Bill Clinton and Ryutaro Hashimoto weighed the politics of it all.

But the passion was gone, the latest sign of how rapidly economic power has shifted, not only between the United States and Japan, but also between the two economic superpowers and the rest of the world.

When all the world's chips arose from Silicon Valley and the vast semiconductor plants dotting Japan's western coast, and when Japan's markets seemed hermetically sealed to U.S. imports, everything seemed to ride on accords hammered out between the two governments.

America's fears of its own technological decline and soaring trade deficits with Japan gave the contests a bitter political edge.

Almost all those conditions have now been reversed. The raft of new countries now becoming big players

NEWS ANALYSIS

in the once-rarefied world of chip production — South Korea,

Taiwan, soon even China — made the U.S.-Japan negotiations a bit like nuclear arms talks limited to Washington and Moscow. What about the Indians and the Pakistanis?

Moreover, the fear that Japan was about to control a set of technologies that America could not afford to lose has been replaced with a confidence in American industry that at times almost borders on complacency.

Several studies suggest that U.S. companies are spending as much or more on research and development now as their Japanese competition does, and yielding considerably better results.

Also, almost no one in the semiconductor business feels that protectionism remains a huge problem. Foreign manufacturers now boast a 31 percent share of the Japanese chip market — the United States has about 20 percent.

That figure was unimaginable when the first semiconductor accord was signed a decade ago.

"We're still fighting the last trade war," a senior American semiconductor executive said after the deal was closed Friday.

Speaking on condition of anonymity because his view is not in accord with the official position of the U.S. semiconductor industry, he

said: "Five, 10 years ago we really needed to break open the Japanese market, and the trade agreements then really worked. But today the far more complicated problem is China."

Perception always trails reality, though, so "there is still a fixation on Japan as the real challenge."

Even Charles Barshefsky, the acting U.S. trade representative, acknowledged at one point that the main American goal these days is not to fight for new territory in the Japanese market as much as it is to keep Japan from backtracking.

"It's important that Japanese companies know that you are watching," said Ms. Barshefsky, who is filling the post left vacant when Mickey Kantor became commerce secretary. "And it is important that they know that their own government is watching."

Suharto Foe Defies Police Summons

Jakarta Is Accused of Trying to Intimidate Opposition Leader

The Associated Press

JAKARTA — An Indonesian opposition leader refused to appear for questioning by the police Monday about a riot that erupted July 27 after security forces raided her party headquarters.

Megawati Sukarnoputri said a summons issued Friday was not valid. Instead of appearing at police headquarters Monday, she sent lawyers who spent an hour talking to investigators.

A police spokesman, Lieutenant Colonel Imam Haryanto, said a new summons would be issued to address their concerns, but he did not say when that would happen.

The government says the violence was orchestrated by leftists trying to topple the 30-year-old regime of President Suharto, but it has not offered evidence to support its claim.

Ms. Megawati, the daughter of independent Indonesia's founder, President Sukarno, is fighting government efforts to remove her as chief of the opposition Indonesian Democratic Party.

Mr. Suharto apparently is afraid her growing support, especially among admirers of her late father, could threaten his government.

An attorney for Ms. Megawati, R. O. Tambunan, said the meeting with investigators was "frank and friendly," without political overtones.

"Actually, Megawati would like to have come here today, because she wanted to set an example of how a person

who is going through a legal action should act," Mr. Tambunan said.

But he said she rejected the summons because it did not identify her as a member of Parliament, it named her as a witness without identifying a suspect and it was not issued far enough in advance of the intended questioning.

In addition, Mr. Tambunan said, the summons lacked a copy of a letter from Mr. Suharto approving the questioning, which is required because Ms. Megawati is a legislator.

"As a member of Parliament I have immunity, you know," Ms. Megawati said at her home on the outskirts of Jakarta.

"I believe Indonesia is a country based on the rule of law," she said. "I think I should have the letter from the president first."

Security officials say they also want to question her because she let speakers attack Mr. Suharto's government, in defiance of a government ban, during daily rallies held outside her party headquarters.

"In summoning Megawati and some of her senior associates, officials wish to intimidate and show them what happens to those who do not fall in line," the Indonesian Observer newspaper said in an editorial.

"It may be a ploy that will backfire given the strong sentiments the public have for her," the newspaper said.

On July 27, the police raided a sit-in by Megawati supporters, who refused

give up the building after she was ousted as party leader by a rebel party congress organized by the military in June.

At least three people were killed in ensuing anti-government protests. More than 90 were injured.

The governor of Jakarta, Surjadi Soedirdja, estimated damage from the riot at \$42 million, with 22 buildings and 91 vehicles destroyed. The police have jailed and charged 123 people with subversion and other crimes. An additional 113 people were detained and released.

The leader of Indonesia's biggest independent labor union is accused of inciting the violence and was charged Friday with subversion. If convicted, he could be sentenced to death.

Also blamed for the violence was the People's Democratic Party, an unauthorized party that Mr. Suharto says is "synonymous" with the banned Indonesian Communist Party.

The Jakarta Post newspaper reported Monday that the military authorities were investigating possible links between the People's Democratic Party and Australia's Labor Party, which lost power in March elections.

Lieutenant Colonel S. Soebagio, a spokesman for East Java's Brawijaya regional military command, said the Labor Party may have financed the Indonesian party's activities.

A Labor Party official in Australia denied that the party funded or had any financial relationship with any party or group in Indonesia.



Relatives of victims of the Kwangju massacre in South Korea scuffling with a supporter of two former presidents who are on trial in Seoul on treason charges.

KOREA: Execution Is Sought

Continued from Page 1

itary leaders lavished government contracts on contributors to their slush funds and used their office to punish those who did not contribute.

Mr. Roh was arrested last November after he admitted on national television that he had accumulated a secret slush fund of more than \$600 million. Mr. Chun was arrested in December on charges connected to the coup and the 1980 massacre in the city of Kwangju. Prosecutors later charged him with accumulating a slush fund even larger than Mr. Roh's.

Both men have admitted amassing the funds, but deny that bribes were involved. They testified that they received money from some of South Korea's leading industrialists but termed it political donations.

Both men said large unreported cash donations were a widely accepted practice in South Korean political circles at the time.

Mr. Chun and Mr. Roh have denied the treason charges against them, saying that they acted in the interest of national security and that the coup and the Kwangju crackdown were necessary to avoid political instability that might have caused a North Korean invasion.

Outside the courtroom Monday, relatives of victims of the Kwangju massacre were among about 80 protesters demanding the execution of both men, Reuters reported.

"Justice will be served only when Chun and Roh are sentenced to death," said Kim Bom Dong, 50, who was wounded when soldiers opened fire on the demonstrators, the wire service reported.

CROSSWORD

ACROSS
1 Piano part
6 Trot and canter
11 Japanese-based music
14 Intergalactic

15 — Joe's (classic sign)
16 Tarnish's Shriver
17 Carnal rival
18 — we having fun yet?

20 Linked, in a way
21 Parsis, today
22 Hot mo.
23 Weekday, Abbr.
24 Gem sides
25 Dazz
26 Small piano
27 Reveal
28 Whirling ones
29 Johnson of "Laugh-In"
30 Gaffer with an army
31 Prefix
32 Babel bit of verification
33 Mustroom
34 Gully
35 Do over
36 Gave the wrong impression
37 Shepherd's backoning
38 Scat's woe
39 Novelist Tyler
40 Leaves the office early?
41 Schuss
42 Dairy Queen offering
43 Cool, old-style
44 Mountain chain
45 Steaming
46 Summer quoncher
47 Commencement
48 Mike with a punch

49 — to the Church on Time
50 Switzerland's Gorge of the
51 Medical suffix
52 Co on break
53 Mario, e.g.: Abbr.
54 Belerent
55 Gold standard
56 Hymn finales
57 Ancient reptile's suffix
58 Pink event
59 Be — in the face
60 In — (unborn)
61 Bit of ritual
62 Black cuckoo

63 "The Pit and the Pendulum," e.g.
64 Pick up on
65 Sully nest
66 Albanian river
67 Use, as influence
68 Physician Jones and kin
69 Environmental problem
70 "had it!"
71 Is serious
72 Indian music

73 One of Chekhov's "Three Sisters"

74 Smeared indelibly
75 I.O. test name
76 Goals

77 Punish
78 Nimble
79 Sit's sit
80 — Vegas
81 Lance of L.A. law
82 Perfection in gymnastics

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Solution to Puzzle of Aug. 5

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FINGERFOOD ENDO
XMEN SENDER
GIFTED CASCADE
SONARS RICH
LOTTA TANK FRAS
ASET ARIES RICH
PERF LASS PINTO
OLLIE SEESAW
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تصليد من الأصل

EUROPE

Rough Weather Looms as EU Steers Toward Common Currency Goal

By Tom Buerkle
International Herald Tribune

BRUSSELS — As the European Union approaches a critical period in its drive to create a common currency, the financial markets, treasuries and central banks all reflect a distinct hint of the calm before the storm.

Reassured by the emphatic expressions of political commitment to achieving a single currency, bankers and investors have been taking EU leaders at their word.

But with the 15 EU governments due in coming weeks to present parliaments their draft 1997 budgets — the ones they hope will qualify them for the single currency — there is a growing risk of disappointment. In many parts of the Union, progress in reducing government deficits to the single-currency standard is faltering and opposition to fresh

spending cuts is mounting. Meanwhile, the economic recovery vital to success is largely intangible.

"If growth doesn't pick up in the fall, I think that would affect the prospects" for a single currency, said Maurice Maguire, chief economist of Ireland's central bank.

Graham Bishop, an economist at Salomon Brothers International in London and a proponent of monetary union, says the markets are being "too optimistic" and could be in for some shocks. EU leaders soon may need to clarify how much leeway they will allow on deficits to bolster the credibility of monetary union because few analysts see even France and Germany attaining the target of 3 percent of gross domestic product.

"Somewhere, they've got to connect with what everybody else sees as reality," Mr. Bishop says. A similar sense of impending

crunch extends to the political side. After a year of debate and drift, governments in coming weeks will begin the hard negotiations on reforming EU institutions and rules to prepare expansion into Eastern

draft treaty text by December.

"We are moving to a critical period," said one senior official at the European Commission, the Brussels-based executive agency.

Crucially, though, EU political

ject "the ticking time bomb that can destroy any other construction the EU can come up with."

Yves-Thibault de Silguy, the EU commissioner in charge of the single-currency campaign, re-

see more signs of divergence, especially between Europe's two bellwether economies. In line with many investment firms, Salomon Brothers predicts that Germany will succeed in trimming its deficit to 3.3 percent of gross domestic product next year while France lags at 4 percent.

Bob McKee, an economist at Independent Strategy in London, sees a sharp contrast between Chancellor Helmut Kohl's progress in pushing 50 billion Deutsche marks in budget cuts through the German Parliament, and France, where Prime Minister Alain Juppe has hinted at backpedaling on civil service cutbacks and promoted a 32-hour work week as a solution to joblessness.

"By September, we'll see that Germany is going to make the target for 1997," Mr. McKee said. "On the other hand, France's deficit shows no progress. That is

going to create an increasing credibility gap. That is when cracks will appear."

EU officials also face a big challenge in resolving by year-end the remaining technical issues of monetary union.

Finance ministers and central bankers are near agreement on a flexible exchange-rate mechanism to link outside currencies to the euro. But they remain sharply divided over Germany's demand for a stability pact to enforce budget discipline after countries join the single currency. While most countries appear willing to set tight deadlines for countries to correct any deficit overshoot, one senior German official said the suggestions fall short of Bonn's bottom line, which is that any excessive deficit must trigger harsh penalties automatically.

"There may be a crisis," this official said.

"Somewhere, they've got to connect with what everybody else sees as reality," says one analyst, and EU leaders soon may need to clarify how much leeway they will allow on deficits to bolster their credibility.

Europe. Officials hope the widespread revulsion to Britain's recent obstruction of EU affairs during the beef crisis will spur breakthroughs on such thorny issues as broadening the use of majority voting and extending cooperation on foreign policy and justice affairs.

EU leaders will hold a special meeting on reform in Dublin in October, and Prime Minister John Bruton of Ireland has promised a

reform will hinge on the fate of the single currency because it represents Europe's greatest attempt at integration.

The success of the reform negotiations "comes down to the one issue that everyone pretends is already settled — monetary union," says Jonathan Eyal, director of the Royal United Services Institute, a London-based think tank. He calls the single-currency pro-

main confident that low interest rates, strong corporate profits and robust growth in the United States and Asia will spur a European recovery in the second half.

But he acknowledged that business and consumer confidence remain low, and he said governments needed to "maintain or accelerate" their deficit-cutting efforts to achieve a single currency.

Lately, though, some analysts

Chechen Assails Russia on Raids

7 Deaths Claimed; Talks in Doubt

Reuters

GROZNY, Russia — The Chechen separatist leader, Zelimkhan Yandarbiyev, accused Russian forces Monday of killing seven people in "cynical" air strikes as efforts to arrange new peace talks faltered.

The Interfax news agency quoted Mr. Yandarbiyev as saying that Russian forces had made air and artillery attacks in southern and southeastern Chechnya in the previous 24 hours, despite the arrival of a delegation from Moscow seeking negotiations.

"Before and during the trip by the members of the state commission on Chechnya, air and artillery attacks have continued in southern and southeastern regions of Chechnya," Mr. Yandarbiyev told Interfax.

"According to preliminary data, seven people were killed and more than 10 were hurt," he said.

Hopes of arranging peace negotiations seemed slim.

There was no news of the fate of two aid workers, a Briton and a Frenchman, who

were kidnapped by unidentified gunmen on July 27. The Paris-based group International Action Against Hunger, which employs the two men, says it has received no ransom demand.

Fighting has worsened since Boris Yeltsin was re-elected as Russian president on July 3, with each side blaming the other for the end of a lull in the almost 20-month-old conflict.

Interfax said that Doku Zavgayev, head of the pro-Moscow authorities in Chechnya, had offered the rebels the possibility of posts in the regional government, including prime minister, if they lay down their arms.

But the rebels maintain that Mr. Zavgayev is a puppet of Moscow with no support in Chechnya and refuse to deal with him.

An official in the Russian military command in Grozny told Interfax that the rebels were strengthening their positions in the southern region of Shatoi and had attacked Russian forces in Orekhovo and Katyr-Yurt, in the west.



AT LAST, SOME RUBLES — A coal miner in Russia's Far East getting his pay. Striking miners who have not been paid for up to five months said they would continue their protest until all back pay was received.

Gangland Scandal Reaches Into Yeltsin's Inner Circle

By Lee Hockstader
Washington Post Service

MOSCOW — The story of a man named Boris Fyodorov, as it is told in the Russian press, might seem at first blush like a day in the life of any enterprising Moscow gangster — a tale of attempted murder, mob chieftains and multimillion-dollar shake-downs.

The difference is that Mr. Fyodorov, a tough-talking businessman who now lies in a hospital bed recovering from gunshot and knife wounds, is being linked in published reports to several of President Boris Yeltsin's closest advisers and friends, including his regular tennis partner. The resulting scandal has riveted Moscow, reinforcing the popular image of Mr. Yeltsin's inner circle as venal and cold-blooded.

"Everyone understands that these people are deathly dangerous. My friends don't say 'Hello' to me anymore. Instead, they say, 'Oh, they haven't killed you yet?'"

Mr. Minkin, 50, ignited the scandal last month when he published excerpts from what he said was a tape-recorded conversation featuring Mr. Fyodorov and his accusations of corruption in high places.

Mr. Minkin, a well-known muckraker, has survived two attacks by unknown assailants over the years, both of which seemed related to his published exposés. But nothing in

his previous work compares with the splash he made with the Fyodorov article.

Until recently, Mr. Fyodorov, 36, was head of a government-controlled organization called the National Sports Fund; the fund had a role in arranging tennis tournaments and other events, but its activities were not limited to sports.

The fund was granted special status by Mr. Yeltsin in December 1993, and thereby benefited from huge tax breaks on the importation of vodka and cigarettes. The subsidy, withdrawn last year, had cost the government up to \$200 million a month in tax revenue.

The taped conversation described by Mr. Minkin is supposed to have taken place in the sumptuous Moscow offices of Boris Berezovsky, a prominent businessman and Yeltsin financial backer who has close ties to reformist forces in the Kremlin.

It is unclear who produced the tape; the accuracy of Mr. Minkin's published transcript could not be verified, and the Yeltsin associates whose names surface on it deny doing the things Mr. Fyodorov accuses them of doing.

Mr. Fyodorov insists he did not know he was being taped.

In late May, about six weeks after the conversation in Mr. Berezovsky's office is said to have taken place, the Mercedes that Mr. Fyodorov was driving was stopped by police one evening near his Moscow home.

Officers armed with automatic weapons and wearing bulletproof vests surrounded the car. One policeman filmed the scene with a video camera as another reached under the car rug and pulled out a plastic bag containing 4.5 grams of

cocaine. Drug charges were filed but later dropped amid speculation that the police might have planted the cocaine. Nonetheless, Mr. Fyodorov was immediately dismissed as chairman of the Sports Fund and replaced by a Kozhakov deputy.

Then on June 18, as Mr. Fyodorov was walking along a side street in central Moscow close to midnight, a gunman approached and fired once at point-blank range, hitting him in the abdomen. Then the gun jammed, and the assailant pulled a knife and stabbed and slashed Mr. Fyodorov nine times. The attacker then jumped into a waiting car and sped away, leaving Mr. Fyodorov lying in a pool of blood.

He was evacuated to a hospital somewhere in Western Europe, and has since given interviews to several Russian journalists. He has asserted that his arrest and firing were engineered by Mr. Tarpiushev, General Kozhakov and Mr. Barsukov, who were somehow persuaded to get rid of him.

"I was a manageable person," he told the newspaper Komsomolskaya Pravda. "It would have been enough for them just to talk to me and ask me to go live abroad for five months without appearing in Russia." He reserves his anger for Mr. Minkin, who published what Mr. Fyodorov called "my private conversation."

"God help him if I ever fully recover," Mr. Fyodorov vowed. "I give my word of honor. I'll beat his face in."

Mr. Tarpiushev, in a television appearance, called the accusations "the ravings of a madman" and an effort to "discredit honest and good people."

Mr. Barsukov, also reached in Atlanta, declined to comment.

Mr. Fyodorov insists he did not know he was being taped.

In late May, about six weeks after the conversation in Mr. Berezovsky's office is said to have taken place, the Mercedes that Mr. Fyodorov was driving was stopped by police one evening near his Moscow home.

Officers armed with automatic weapons and wearing bulletproof vests surrounded the car. One policeman filmed the scene with a video camera as another reached under the car rug and pulled out a plastic bag containing 4.5 grams of

cocaine. Drug charges were filed but later dropped amid speculation that the police might have planted the cocaine. Nonetheless, Mr. Fyodorov was immediately dismissed as chairman of the Sports Fund and replaced by a Kozhakov deputy.

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BRIEFLY EUROPE

Germany Asks New Extradition

FRANKFURT — Germany is seeking the extradition of a former SS officer, Karl Hass, from Italy, where he testified in the military trial of Erich Priebke, state prosecutors said Monday.

Mr. Hass, 84, admitted during the trial that he, along with Mr. Priebke, took part in the massacre of 335 Italians near Rome in 1944. German officials are charging him for his role in the killings.

Mr. Hass came voluntarily from Switzerland to testify for the prosecution in Mr. Priebke's case, but jumped from the second floor of a hotel the night before testifying. He broke his pelvis and testified from a hospital.

Mr. Priebke, 83, a former SS captain, was acquitted of premeditation and cruelty by the Italian military court, but Germany is seeking his extradition on charges of murder and being an accessory to the crime. (AP)

Briton Pleads Guilty in Blast

YORK, England — A former British soldier who fought extradition from the United States for years pleaded guilty Monday to bombing an army barracks in 1974.

Peter McMullen, 49, a former cook with the Parachute Regiment who joined the guerrilla Irish Republican Army, admitted planting four bombs in the English headquarters of another regiment which had soldiers serving in Northern Ireland at the time. Three bombs went off, injuring a woman. (Reuters)

U.K. Milk Product Ban Is Seen

BONN — The environment minister in Germany's most populous state suggested Monday that British milk products may have to be banned in light of a study finding that cattle can pass "mad cow" disease to their calves.

Baerbel Hoehn, minister in North Rhine-Westphalia, said on German radio that the European Union had already erred by relaxing its ban on British beef products and should now consider restoring or tightening its original restrictions. A British government spokesman on Sunday said there was no need to test the safety of milk in light of the most recent findings. (Reuters)

Hijacker Said to Be Palestinian

BEIRUT — Lebanese police said Monday the man who hijacked an Iberia aircraft to Miami on July 25 was a Palestinian refugee and not Lebanese, as he had claimed.

Saadou Mohammed Ibrahim, who commandeered the plane to Miami on its way from Spain to Cuba, was a Palestinian residing in the Ain Helweh Palestinian refugee camp on the outskirts of Sidon, according to a police report published by Beirut newspapers. (AFP)

Brief Inauguration for Yeltsin

MOSCOW — President Boris Yeltsin of Russia, who is resting in a sanatorium, will be inaugurated at a ceremony lasting only 30 minutes, Interfax press agency said Monday, quoting an organizer of the event.

Russian newspapers have suggested that the ceremony would last an hour, but Interfax said that while final details of the inauguration had not yet been decided, it would be "no longer than half an hour." (Reuters)

Pilot Dies in Swedish Crash

STOCKHOLM — A Swedish Air Force fighter on exercises in northern Sweden crashed into the Baltic Sea on Monday, killing the pilot, a military spokesman said.

The AJ37 Viggen from a squadron based in Soderhamn, in northern Sweden, was taking part in exercises near Ornskoldsvik. The pilot, who was not immediately named, was found by a rescue helicopter and taken to hospital, but he was dead on arrival. (Reuters)

Bomb Found on Moscow Train

MOSCOW — A grenade and some ammunition were found planted under a seat in a Moscow subway train, the latest in a series of explosives in Russian public transportation, the police said Monday.

The grenade, found Sunday night during a repair check, had no detonator, a police spokesman said. Moscow commuters have been edged since a subway bomb killed four people on June 11 and two trolley bombings in July wounded dozens. (AP)

Plan to Abort One of Twins Stir Moral Outcry in Britain

By Youssef M. Ibrahim
New York Times Service

LONDON — A new wave of moral indignation swept Britain on Monday after a woman and her gynecologist agreed to abort one of the twins she has carried into 16 weeks of pregnancy because the expectant mother argued that her limited financial means allowed her to raise only one infant.

There was a major outcry from anti-abortion groups last week when the government decreed the destruction of 3,000 unclaimed human embryos in fertility clinics, in keeping with a much-criticized law stipulating that frozen embryos cannot be retained for more than five years unless parents specifically demand it.

Coming on the heels of that controversial decision, Monday's revelation seems to have had a bigger impact on a wider segment of the public — particularly because the case ranks as a first "selective termination" of a healthy fetus in Britain.

Such procedures have been done before, but only to abort an abnormal or terminally condemned fetus.

Doctors who agreed to carry out the controversial abortion as well as others who supported it maintained that the decision was "no different from any other abortion."

But anti-abortion groups in Britain and Italy — where much shock was registered last week over the embryos case — have offered money to the woman to carry the

baby to term and give it up for adoption.

Dr. Phillip Bennett of Queen Charlotte's hospital in London told the Sunday Express that the selective abortion was the solution he proposed to the mother when she told him she could not carry on with the pregnancy if it meant having two children.

A spokeswoman for the hospital said that Dr. Bennett, an obstetrics and gynecology professor, had not been at the hospital Monday and that there would be no comment on the case, which is "a private matter between the doctor and his patient."

The spokeswoman, Nuala O'Brien, said she could not tell whether the procedure had been carried out or not, but other people said the 28-year-old single woman, who

already has one child, was still pregnant with the twins.

"Killing one healthy twin sounds unethical, but my colleagues and I concluded this week that it would be better to terminate one pregnancy as soon as possible and leave one alive than to lose two babies," Dr. Bennett told the Sunday Express.

The technique of abortion in this case would involve piercing the selected fetus with a needle, according to Dr. Bennett.

The dead fetus is then carried for the full term of the pregnancy "although it shrivels and mummifies," in the womb, Dr. Bennett said.

Some of the questions involved are how the aborting doctor will select the fetus to be killed and whether the sex of the selected baby is com-

municated to the mother. But the overwhelming question involved the ethics of such a decision.

British law permits the termination of a pregnancy up to four months, at a time when several doctors, including Dr. Bennett, believe the fetus would show a strong response to termination and may indeed feel some pain.

The law allows abortion if the mother's request is motivated by psychological rejection of the child even if no health risks are involved to the mother or child.

After that, the law permits termination if there is a physical handicap.

The Roman Catholic Church, which deplored last week's destruction of embryos, said the case of selective abortion may reignite a na-

tional debate over the issue of terminating pregnancies.

"What it seems to have done is brought to the public a sharp shock," said Nicholas Coote, assistant secretary of the Catholic Bishop's Conference of England and Wales.

"In this country, basically what happens is if you go to a doctor and say, 'I don't want to take this pregnancy to term because I can't cope,' the doctor can make the decision to terminate it, even if it is a perfectly healthy fetus," Mr. Coote said.

"Until now, it was easy to look away. But this case has brought the full implications of such an act to people's attention."

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INTERNATIONAL

Netanyahu, in Jordan, Upbeat on Peace Talks

Israeli, After Meeting With King Hussein, Cites 'Clear Expression' of Syrian Interest

By Neil MacFarquhar
New York Times Service

AMMAN, Jordan — The first official visit of Benjamin Netanyahu as Israeli prime minister to this neighboring Arab state concluded with fresh encouragement on several fronts, including unfreezing peace talks between the new Likud government and Damascus.

At a joint news conference, Mr. Netanyahu and King Hussein said the renewed talks, as well as the problems with deferred economic cooperation in their own peace treaty.

The Israeli prime minister also said he hoped that the Israeli troop redeployment around the West Bank city of Hebron, originally scheduled for March, would take place within two weeks if talks with Palestinian negotiators resumed.

As on a visit to Cairo last month, Mr. Netanyahu made a small gesture for his host, announcing that he would allow 5,000 additional Palestinian laborers from the West Bank and Gaza Strip to resume their jobs inside Israel. But no substantive acts to bolster recent diplomatic busting emerged.

Jordan had hoped for some sign that the agreements on development, trade, water sharing and other issues outlined in its October 1994 peace pact with Israel would take a more tangible form. Instead, the morning of talks with King Hussein, separate economic discussions with Crown Prince Hassan and an afternoon visit to the ancient city of Petra played here like a photo opportunity for Mr. Netanyahu's constituents.

"Nothing material will happen from this visit," said Fahed Faneek, a Jordanian economist. "He is showing his people that he can be tough and still be accepted in the Arab world and probably get a better deal. Like Cairo, it shows the whole world that there is no need to be too hard on him because he is already accepted in the Arab world."

Mr. Netanyahu's visit came after earlier, secret consultations with King Hussein in London and after reports, denied by both sides, that Mr. Netanyahu had a clandestine meeting with a Syrian envoy on unfreezing their negotiations.

King Hussein, fresh from his own reconciliation visit to Damascus over the weekend, said Jordan was not in a position to broker a deal between the two sides. But he evidently passed on President

Hafez Assad's views to Mr. Netanyahu.

"There was a clear expression of a desire to resume the quest for peace in Damascus, and that is encouraging, that is something we will readily take up," Mr. Netanyahu said, brushing aside suggestions that Israel was trying to pare talks down to an agreement about an early Israeli withdrawal from southern Lebanon.

"We are prepared to engage in peace negotiations with Syria on all outstanding matters, we are not limiting this to any one particular subject," he said.

This was a much vaguer equation for talks than statements from the previous Labor government under Yitzhak Rabin and Shimon Peres, who had toyed with various formulas for an Israeli withdrawal from the Golan Heights.

Mr. Netanyahu has rejected the land-for-peace recipe for negotiations. In addition, his cabinet approved a measure Friday allowing Jewish settlements in the West Bank and Gaza a freer hand in expanding. His minister of infrastructure, Ariel Sharon, has planned new roads in the West Bank and expressed skepticism about a common Israeli-Jordanian airport for their neighboring Red Sea resorts.

King Hussein's response to this was muted, especially when compared with denunciations by other Arab leaders.

The Palestinian leader, Yasser Arafat, although he has yet to meet with Mr. Netanyahu, wrote him a letter asking him to rescind the settlement decision, Palestinian officials said Monday.

King Hussein said he believed the Israeli government would not "create obstacles to peace."

"I hope and I trust that the Israeli government will act very prudently," he said. He also distanced Jordan from any talks on the future of Jerusalem, saying he was sure that the Palestinians and Israel would come up with a plan.

The king's seeming indifference to Palestinian issues, given that at least half Jordan's population is of Palestinian origin, deepened grumbling in Jordan that the peace treaty seems more between his Hashemite dynasty and Israel than between the two countries.

"The people have not felt any peace dividend," said Labib Kamhawi, director of the Organization for Human Rights in Jordan. "People feel that this is not a Jordanian affair, it is more of a Hashemite affair."



CRY FOR FREEDOM — Women demonstrating Monday in Ramallah on the West Bank for the release of prisoners held by Palestinian police. One prisoner was beaten to death and a demonstrator slain last week.

Aidid Foes Threaten New Violence

Compiled by Our Staff From Dispatches

MOGADISHU, Somalia — Enemies of the slain Somali warlord Mohammed Farrah Aidid said Monday that their forces were on alert after General Aidid's son took over as faction leader in the troubled country.

Clan leaders who had joined forces against General Aidid said his followers had thrown away a chance for peace by choosing his 31-year-old son Hussein to head the self-declared government, which is only recognized by Libya and Sudan.

"We have put our forces on alert and Hussein will bear the consequences of his actions," said Mohammed Ali Mahdi, leader of a clan militia alliance based in north Mogadishu and a bitter enemy of the Aidids.

"Unfortunately it is a lost opportunity," he said, adding that he and Ali Hassan Osman Ato would reconsider the cease-fire they had called after General Aidid's death.

Mr. Ato is an ally of Mr. Ali Mahdi, who heads militia forces in Mr. Aidid's south Mogadishu stronghold.

Two members of the Abgal clan opposed to the Aidid faction were shot dead Sunday night in the disputed south Mogadishu neighborhood of Bermuda, residents said Monday.

The shooting was the first violence reported in the Somali capital since General Aidid died Thursday.

Mr. Ato told a Mogadishu radio station from Nairobi on Sunday that the selection of Hussein Aidid would further ignite the already complicated situation in Somalia.

Mr. Aidid said he would follow his father's "anti-colonialist" policies, which led to his battles with U.S. forces in 1993 and the killing of 18 U.S. soldiers before they pulled out of Somalia in 1994.

In a speech Monday at a stadium in south Mogadishu, he said that international agencies were welcome to work in the territory he controlled, but that they would have to abide by the rules of his "government."

Those rules hindered efforts by the agencies to work in those areas when his father was in charge. Anyone landing in north Mogadishu, for example, was considered to have landed in "enemy territory" and usually forbidden access to south Mogadishu.

Few aid workers remain in Somalia because of the insecurity. The European Union, the major backer of development projects, has earmarked \$60

million in aid over two years for regions at peace and with functioning administrations, which excludes most of the territory controlled by the Aidid faction.

Food is short in much of the country, with starvation threatening some areas, and diseases such as cholera are endemic.

In Cairo, the 22-member Arab League on Sunday urged the Somali factions to work out a peaceful settlement and choose dialogue to find a national settlement framework," the group said in a statement.

(Reuters, AFP, AP)

CLINTON: Signs Sanctions

Continued from Page 1

making loans of more than \$10 million a year to those dealing with Iran and Libya, barring such financial institutions from being primary dealers of U.S. government bonds, banning U.S. government procurement of goods and services from such entities and imposing import sanctions.

The French petroleum company Total SA angered American officials last year when it took over the development of two big offshore oil and gas fields in Iran after U.S. law had barred American companies from the project. The new law does not cover existing contracts, however.

Total and other foreign oil companies have also sought to purchase the assets of U.S. producers in Libya.

The Clinton administration had already drawn the wrath of some of its closest allies when the president signed in to law a bill to penalize foreign businesses that invest in property confiscated by Cuba from American citizens.

The president, in a speech Monday at George Washington University in Washington, described the increasing outreach of American efforts against terrorism. "Over the past four years," he said, "our intelligence services have been sharing more information than ever with other nations."

Mr. Clinton summoned congressional leaders to the White House on July 29, two days after the Atlanta bombing, and urged them to approve a package of counterterrorism measures before adjourning last Friday.

The House overwhelmingly approved new airport security measures, but, facing criticism from a wide-ranging coalition, refused to grant the broader wiretapping authority that the administration sought for law-enforcement officials.

The Senate postponed action to next month. On Monday, Mr. Clinton cautioned that such efforts would exact costs, and added that "while we can defeat terrorists, it will be a long time before we defeat terrorism."

"America will remain a target," he said, "because we are uniquely present in the world, because we act to advance peace and democracy, because we have taken a tougher stand against terrorism, and because we are the most open society on earth."

Mr. Dole's aides have long argued that he is well aware of the lessons of the Reagan era. But in outlining Mr. Dole's economic platform on Sunday, Republican officials gave only sketchy details of how he would pay for the cuts

NET: Hello, Tomorrow — Technology Moves Faster Than the Speed of Sound

Continued from Page 1

Since the first crude, homemade phone software was hacked together a few years ago as a way to make "free" long-distance calls (free, assuming you have an Internet account, a \$3,000 multimedia computer and someone to call who has compatible software), telephony has become the fastest-growing type of service on the Internet.

Technical drawbacks still keep Internet telephony from being a true substitute for the good old, reliable telephone network. And yet, the number of regular Internet telephone users is expected to rise from fewer than 400,000 last year to 16 million by 1999, according to a forecast from the research company International Data Corp. By that year, IDC predicts, Internet telephony could constitute a \$500 million market.

Beyond cheap phone calls, the possible applications include:

- Catalogue shopping on the World Wide Web, where the customer could speak live with a sales agent.
- Work-team software that would enable groups working collaboratively on documents via the Internet to converse about the project.
- Adding voice capabilities to multiplayer computer games like "Doom" or "Quake," so that teammates could coach one another and cheer the opposition.
- Combining video and audio for low-cost videoconferences over the Internet.

"The next level in the killer application we call communications is going to be audio," said Mark R. Anderson, a technology industry analyst who is president of Technology Alliance Partners in Friday Harbor, Washington. "Intel sees this, and I think Microsoft sees this."

In fact, Intel and Microsoft late last month jointly announced a set of technical standards that are intended to promote compatibility among various makes of hardware and software used in Internet telephony.

Separately, Microsoft is planning to embed Internet voice technology into its Windows operating systems and Explorer software, and it is working on standards for a universal "net phone" directory that would list users' otherwise arcane and hard-to-find Internet phone addresses.

Intel, meanwhile, is adding multimedia extensions to all its future PC microprocessors. Compaq Computer, the leading maker of PCs, is building voice capabilities into its machines.

Netscape Communications, the dominant Internet software company, has already added net telephony features to its popular Navigator Web-browser software.

And even some of the biggest telephone companies, whose business might seem threatened by the trend, are studying Internet telephony.

All of these companies see potential beyond helping Norwegians save a few cents on overseas calls. "A lot of people look at Internet telephony as a replacement or alternative for long-distance service, and that's the most obvious use for it today," said Frederic H. Yeomans, marketing manager for Intel's Internet and communications group in Hillsboro, Oregon.

"It's similar to when Intel invented its first microprocessor and thought, wow, this will be really good for the calculator market," Mr. Yeomans said. Only later did the PC emerge as the killer application, or "killer app," for Intel's chips.

Mr. Dole's package would directly address the economic anxiety that they said had seized much of the country. "Working families in my state say they work hard but have less to show for it at the end of the month," Senator Abraham said. "Salaries and incomes have been flat under Clinton, but taxes have gone up. Under the Dole plan, hard-working American families could keep more of what they earn."

But beyond any immediate political appeal, the Dole plan, his advisers said, is intended to improve the nation's capacity for economic growth.

A tax cutting plan could theoretically help boost the economy in two ways. If it is not accompanied by offsetting spending cuts or other revenue gains, a tax cut provides a short-term stimulus by putting more money into the economy, generating more growth for a short time but also inflation.

Mr. Dole's plan is at least partially aimed at improving the nation's capacity for non-inflationary economic growth over the long run. Most economists agree that cutting the size of government and reducing regulation, among other steps, could help make the economy more productive by freeing capital for investment.

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EU Puts Off Move to Quit Mostar Role

Diplomats Strive for Muslim-Croat Pact

Compiled by Our Staff From Dispatches

MOSTAR, Bosnia-Herzegovina — The European Union decided Monday to extend a deadline for withdrawal from the divided city of Mostar, amid frantic international efforts to bring feuding Muslims and Croats together in some form of city government.

The EU, which has administered the war-damaged city since 1994, had threatened to withdraw Saturday if an agreement was not reached.

But so much is at stake that the deadline was extended until an unspecified hour late Monday, said Costas Verros, a spokesman in Brussels.

A federation between Muslims and Croats is a cornerstone of the Bosnian peace accord, and strife in Mostar between the two ethnic groups could unravel the fragile union.

The Mostar dispute centers on elections there, and failure to resolve the dispute would call into question planned elections on Sept. 14 throughout Bosnia-Herzegovina.

"The whole situation in Mostar influences the situation in Bosnia," Mr. Verros said. "We regret the attitude of the Bosnian Croats."

The dispute arose from the Croats' refusal to abide by the results of June 30 elections that they narrowly lost to a Muslim-led coalition. The Croats appeared to bow to international pressure on Sunday and proposed a solution to end the standoff, but the Muslim side balked and talks broke down early Monday.

Carl Bildt, the international mediator for civilian aspects of Bosnia's peace, took a hard line on the impasse Monday, insisting that the Croats accept the outcome and form a government with rival Muslims.

"From my point of view we don't want to give in to blackmail on the issue of Mostar," Mr. Bildt said in Sarajevo. "It is vital that we not accept any concessions that would dilute the actual result of the elections because that would have very negative consequences for the September elections."

Patrols by French and Spanish troops with the NATO-led force were increased in Mostar on Monday to provide security in case the European Union did withdraw, said Major Brett Boudreau.

If the EU pulls out, a NATO-led force will take control of Mostar and its troops will patrol the city together with unarmed United Nations police officers, in the same way they do in the rest of the country.

While Mostar was quiet Monday, tension has mounted across central Bosnia, where Muslims and Croats share an uneasy coexistence.

In the Muslim-controlled town of Bugojno, several hand grenades were thrown at Croat-owned businesses late Sunday, said Major Thomas Moyer, a spokesman for the NATO-led peace force. No one was reported hurt but property was damaged.

The United States, which brokered the formation of the shaky federation to end the Muslim-Croatian war in 1994, was intensely involved in the effort to salvage Mostar's government.

"We have not yet given up," said James Hucheson, spokesman for the U.S. Embassy in Sarajevo.

The Croatian foreign minister, Mate Granic, said the two sides were moving closer.

"We are firmly resolved to find a solution before the end of the day," he said. (AP, Reuters)

TAX: Candidate's Proposal Opens the Door to a Complex Debate

Continued from Page 1

"Let the 1980s be a lesson," it said. "The original supply-side concept of targeted tax cuts quickly led to a general tax cut bidding war, with both parties joining in the frenzy. This resulted in unprecedented peacetime deficits and interest costs that will be with us for years to come."

Mr. Dole's aides have long argued that he is well aware of the lessons of the Reagan era. But in outlining Mr. Dole's economic platform on Sunday, Republican officials gave only sketchy details of how he would pay for the cuts

he proposes. They said that increased economic growth resulting from his plan, which also includes reducing government regulation and overhauling the legal system, would make up 27 percent of the cost.

Another 18 percent might come from sales of unallocated broadcast frequencies and reductions in administrative expenses.

The only details the party aides offered were that Mr. Dole had supported scaling back or eliminating at least four cabinet departments and that the plan would not call for additional cuts to Medicare or Social Security.

Democrats are already arguing that the numbers cannot possibly add up in a way that will keep the nation on track to a balanced budget.

"He is saying that part of this is going to be paid for by growth in the economy, which again is the kind of supply-side woo that did not work in the '80s," Leon Panetta, White House chief of staff, said of Mr. Dole on Sunday on CBS's "Face the Nation."

As the presidential campaign heats up, the varying positions of the two camps amount to a role reversal of sorts: The Democrats are talking about the importance of the bond markets and responsible fiscal policy, while the Republicans are using Mr. Dole's plan to appeal directly to working Americans.

As the debate over the Dole plan unfolds, the Clinton administration has begun portraying itself as the protector of the deficit reduction the nation has enjoyed over the last several years.

In part their strategy is intended to insulate them against Mr. Dole's attacks on Mr. Clinton for raising taxes in 1993. But they are also trying to draw a direct line between the reduced deficit and benefits to voters, primarily in the form of a reduction in long-term interest rates that accompanied the shrinking deficit.

"Under the guise of cutting taxes for some in the short term, what we are going to wind up doing is increasing the most regressive taxes of all, which is interest on the

national debt that is going to be passed on to our kids," Mr. Panetta said.

Republicans said Mr. Dole's package would directly address the economic anxiety that they said had seized much of the country.

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DOLE: A 15% Tax Cut Sought Across the Board

Continued from Page 1

age could cost more than \$800 billion. He called it "a collection of gimmicks, double counting and voodoo growth assumptions."

But Donald Rumsfeld, a senior Dole policy adviser, said on television that "anyone who says this is going to involve any cuts in Medicare or Medicaid or Social Security is not telling the truth."

Announcing the economic package begins a crucial week for Mr. Dole, who trails Mr. Clinton by as much as 20 percentage points in some national polls. In the week ahead, he must also settle on a running mate and prepare for

the Republican convention, which begins Aug. 12 in San Diego.

Advocating such a large tax break — it resembles the one former President Reagan campaigned on in 1980 — represents a stark turnaround for Mr. Dole. The former Senate majority leader has a history of preferring to cut the deficit to cutting taxes. Even so, his plan projected that the federal budget can be balanced by year 2002.

Mr. Dole proposed cutting the capital gains tax from 28 percent to 14 percent, repeal of the 1993 tax increase on certain Social Security benefits and a \$500-per-child tax credit that had been part of an

early Republican budget that was rejected by Mr. Clinton. Advisers suggested that part of the tax cuts would be paid for with a 10 percent government reduction in administrative expenses in non-defense programs, through broadcast spectrum sales by the Federal Communications Commission and other government efficiencies.

But a large portion — roughly 27 percent or \$145 billion — would come from the assumption that the tax cuts would stimulate economic growth.

Many economists have scoffed at such "supply side" theories, as has Mr. Dole himself in the past.

By some estimates, as many as 50,000 people have died in strife pitting government forces against Muslim rebels since early 1992, when the authorities canceled a general election that radical Islamists seemed likely to win. The struggle included terrorist bombings at home and in France.

Among those at the funeral were the Algerian interior minister, Mostefa Benmansour; the French ambassador to Algiers, Michel Leveque; and Cardinal Bernard Gantin, representing Pope John Paul II. (AFP, Reuters)

Meanwhile, a truck bomb exploded in the center of the Algerian town of Taret on Sunday, wounding dozens of people, an Algerian newspaper reported.

The early-morning blast caused extensive damage to buildings and shops in the town, 225 kilometers (140 miles) southwest of Algiers, the newspaper Al Khabar said.

There was no information on who was behind the explosion. Algerian authorities have blamed Muslim insurgents for a string of deadly blasts.

PERU: Shining Path Appears to Be on the March

Continued from Page 1

ing Path divided into two factions: one that heeded Mr. Guzman's call for peace and another that continued the fight under the leadership of Oscar Ramirez Duran, who was a top aide to Mr. Guzman.

Political violence in Peru had not stopped even before the new attacks. In the last 18 months, analysts estimate, 450 people have died in political violence in Peru and the government has detained more than 500,000 suspects.

The recent attacks began on July 26, when a car bomb exploded outside the police

station two blocks from the Congress, killing a passer-by and wounding at least seven people.

Last Monday, the Shining Path took responsibility for a bombing outside the home of a general, Manuel Varela Gamarra, who is the military chief in the Upper Huallaga Amazon region, where the rebels have a stronghold. The 20-pound (9-kilogram) bomb killed a taxi driver, wounded five persons and damaged the facade of 30 nearby homes. The general's house was destroyed, but he was not there.

On Wednesday, two Shining Path gunmen shot and killed a community leader,

Epifanio Santamaria Rodriguez, in the Lima shantytown of San Martin. The group had been trying to make inroads there but had been rebuffed by Mr. Santamaria. Shining Path guerrillas also attacked a construction company in the highlands, destroying equipment and property.

In each case, they either claimed responsibility or they left signs that they were responsible for the attacks.

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EU Puts 0 Move to Q Mostar Ra Diplomats Stri Muslim-Croat

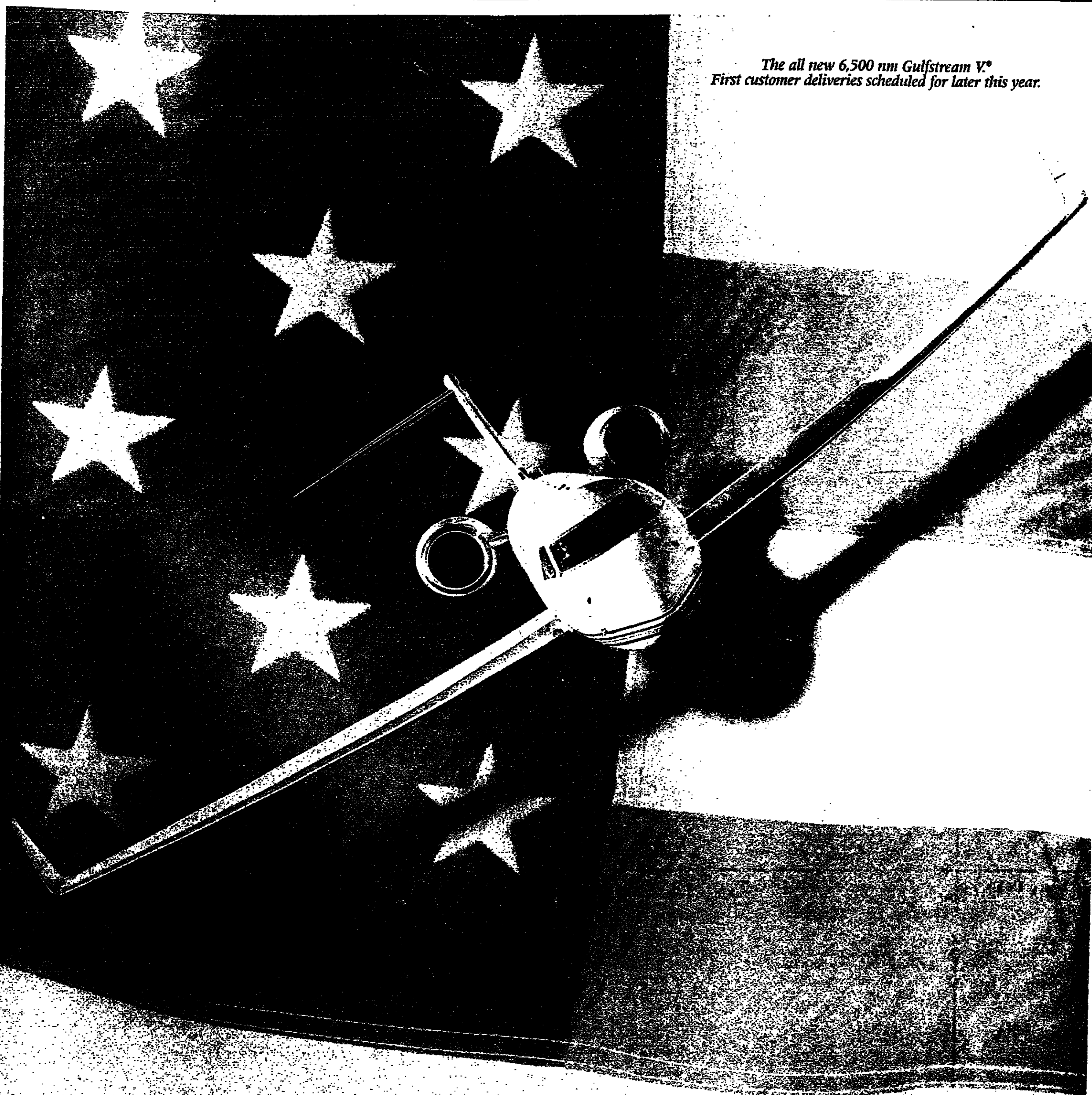
Mostar, Bosnia, Aug. 5 — The European Union has moved to a new phase in its efforts to bring about a ceasefire in the Bosnian town of Mostar, where a bloody battle between Muslim and Croat forces has raged for months.

The EU has sent a new team of diplomats to Mostar, and has also announced that it will be sending a new team of military observers to the town. The EU has also announced that it will be sending a new team of civilian monitors to the town.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Let Iraqi Oil Flow

The United States has made an honorable and reasonable effort to be sure that a planned humanitarian break in the Iraqi oil embargo is not abused by Saddam Hussein, but it should now stand back and let the oil flow. The Clinton administration's latest objections do not justify further delay in alleviating hunger and illness in Iraq.

After years of diplomatic stalemate, Iraq earlier this year accepted a U.S.-sponsored plan to allow a limited resumption of Iraqi oil exports to pay for food and medicine. Some of the oil income would also finance reparations payments to the victims of Iraqi aggression and UN administrative costs.

Months of hard diplomatic bargaining since then have established basic ground rules and detailed procedures for international monitoring of oil sales and food distribution to make sure that none of the funds are diverted for illegitimate purposes. Fourteen of the 15 Security Council members are now sufficiently satisfied to allow the program to begin. But the Clinton administration insists on an even more detailed agreement on technical aspects of the monitoring program.

A high degree of caution is appropriate in dealing with Saddam. He has demonstrated repeatedly that he still hopes to revive Iraqi military power and will exploit every loophole presented to him. But in this case the risk of abuse has been made minimal. The United States, like every Security Council member, retains the option of halting oil sales and food deliveries the moment any evidence of misconduct appears.

The plan would not end the oil export sanctions imposed on Iraq for the

past six years. That must await Iraq's full compliance with its obligations to destroy stocks of chemical, biological and nuclear weapons components and eliminate most of its missiles. Iraq must also submit to effective long-term UN monitoring to ensure that it is not secretly rearming.

The arrangement now before the United Nations represents the latest version of an idea first put forward by the Bush administration in 1991 to make long-term economic sanctions against Iraq more humane by protecting the innocent from malnutrition and disease. It would permit Iraq to sell \$2 billion worth of oil over the next six months — about 20 percent of its normal export level.

An initial understanding worked out between Iraq and the United Nations this spring was reasonably rejected by the United States and Britain because it allowed Iraq too much control over arrangements for banking the proceeds of oil sales and for interfering with food relief in Kurdish areas. Those problems were fixed, and for the last eight weeks Security Council members have thrashed out procedural details.

Germany's UN representative, who has chaired the effort to draft procedures, expresses frustration with Washington's seemingly endless objections. At this point, the administration seems to be more interested in looking tough in an election year than in dealing with the painful side effects of the oil embargo. American diplomats say the problems they have raised can be worked out fairly quickly. They have already delayed too long.

—THE NEW YORK TIMES.

Lebanon at the Center

Israel appears to be considering a disengagement with Syria from the ugly proxy war in southern Lebanon. Israelis would pull the plug on a rogue Lebanese militia they use as a border security force. Syrians would pull out the one militia they permit to operate in Lebanon, the Hezbollah terrorist force with which they press Israel to withdraw from Golan. With Israeli-Syrian talks for a comprehensive peace stuck, "Lebanon first" is an idea worth exploring. Done right, it could ease tensions in its sector and lead on.

Palestinian Arab attacks mounted from southern Lebanon have plagued Israelis for years. Buying into their own Lebanese militia was one desperate response. Even so, Israeli civilian and military casualties have continued, and with them have come devastating Israeli reprisals in Lebanon. Devastating but finally ineffective. There lies Israel's interest in a Lebanon-first arrangement that would restore a strengthened government of Lebanon to police the border. Syria, which has claimed that Hezbollah has no purpose other than liberating a slice of Israeli-occupied Lebanese territory, would have its bluff called.

Syria is hesitating. It may well fear that if Israel, by a separate deal to quiet its border, gets a peace with Golan, it

will have scant incentive to negotiate a peace without Golan. Israel will have to address that call for a package deal. Its new Likud government, meanwhile, bids to raise the previously tolerable cost of Syria's Hezbollah sponsorship by moving toward expulsions against Syria, not just Hezbollah, targets. That could put fresh uncertainty into an equation already fearfully complex.

In fact, "Lebanon first" needs further defining. Israel and Syria, as that country's longtime occupiers and interveners, are accustomed to putting Lebanon last. They treat it as a strategic buffer and as a political arena open to their manipulation. Israel has overused its right of military self-defense against Hezbollah cross-border attack. Syria, not content to hold the country down with 40,000 troops, tipped its hand recently by outlawing a little independent citizens' group being set up to monitor this month's parliamentary elections. Monitors, the Syrian authorities evidently feel, would make it harder for them to control the outcome.

There are, finally, two disengagements to be examined: Syria's and Israel's from southern Lebanon, and Syria's and Israel's from Lebanon as a whole. Lebanon must be at the center of both efforts.

—THE WASHINGTON POST.

Olympic Television

NBC always made it clear that ratings were the yardstick by which it would judge the success of its Olympic Games coverage. Since the ratings have been high, the network is happy, and future broadcasts are likely to follow this year's pattern. That would be a shame. While some of NBC's reports were riveting, the camerawork astonishing and the focus on long-neglected women's sports more than welcome, the network made some dangerous decisions about the way it blurs reality in the name of a good story.

NBC presented its prime-time coverage as suspenseful dramas taking place before the viewers' eyes. Anchors almost never explained whether the action was live or on tape. They conveyed breathless suspense, even if the competition had really occurred hours earlier. So in an era when television technology can show almost any happening in real time, NBC has perversely used that technology to create a zone of fictional time.

Citing its nightly surveys — viewer satisfaction, NBC said the public did not care whether events were live or taped. That dodges the point. Of course Americans do not mind watching taped events. Many routinely tape basketball or baseball games they want to see later, and they understand that it is more fun to watch without knowing the

outcome in advance. But what NBC does not ask in its surveys is whether viewers would like to be given a context — to know what was unfolding as they watched and which events actually took place earlier.

NBC has the right to make money on its expensive investment, and to try to package these events for the highest ratings possible. But the network has enough brainpower to make money while upholding broadcast standards.

American networks broadcasting to American viewers are always going to focus on American athletes. There will always be attempts to personalize the competitors with feature stories that emphasize family tragedies, childhood physical ailments and heartbreaking disappointments. But NBC went where no network had gone before in ignoring the athletes from the rest of the world, and in making its profiles as sappy as possible.

Since the network has a contract to air the Games until 2008, it is important that its executives rethink their approach. The Olympic Games, for all their entertainment value, are still news, not a made-for-television movie. This year's broadcasts, in their absolute deference to conveniently interpreted viewer preference, were in deep denial of that fact.

—THE NEW YORK TIMES.

Taiwan: A Modern State, but Could Do Better

By Gerald Segal

TAIPEI — East Asians like to see themselves as modern and confident, but despite their impressive economic growth, their modernization and confidence are often superficial.

Measured by three of the fundamental yardsticks of modernity — political pluralism, mature ethnic politics and diminishing concern with state sovereignty — Taiwan emerges as one of the most modern societies in East Asia.

On the scale of political pluralism, Taiwan is arguably the most democratic state in East Asia. Its press is among the freest. The parliamentary and presidential elections that took place under threat of attack from China were among the most bitterly but freely contested in the region.

When I asked President Lee Teng-hui recently what he would most want to be known for at the end of his term, he spoke only of political reform. He obviously sees that the bedrock of his external support is the fact that Taiwan is a rapidly developing democracy.

He also understands that it is precisely because Taiwan is ethnically Chinese, rich and free that its experience poses a major challenge to the Communist autocrats in Beijing.

An ability to handle ethnic issues peacefully is a second fundamental feature of a modern society. As Europe is

reminded by the vicious conflicts in the Balkans, an obsession with race and religion as a definition of political boundaries is a dangerous and primitive way to build society. Tolerance of ethnic and cultural diversity is a sign of true confidence in the ability to make citizens rich and free.

Many East Asians find it hard to talk about ethnicity in general, and especially about the role of ethnic Chinese. Still, it was a sign of maturity in the region when China formally renounced its claim to the loyalty of ethnic Chinese throughout Southeast Asia, and when Southeast Asian governments granted citizenship to the Chinese who had lived among them for so long.

It will take generations for identity to become genuinely complex in these states, but important steps have been taken to remove blood from politics.

For the people of Taiwan, blood ties matter less and less. Recent opinion polls show that less than a third of Taiwanese define themselves solely as Chinese. As the identity of Taiwanese becomes more subtle, the notion of being connected to a great Chinese civilization is becoming only one of several layers of identity.

Just as Jews around the world appreciate their Jewishness as one of several elements of identity, so the people of Taiwan (and ethnic Chinese around the world) understand that complex identity is a crucial underpinning of modernity and confidence.

China is putting more, not less, stress on blood ties. There is more intense "ethnic cleansing" of non-Han Chinese in Xinjiang and Tibet. The people of Hong Kong are told that they do not have the right to choose their own political system because they are part of the "motherland." The people of Taiwan are told that ancestry takes precedence over self-determination.

But for all of Taiwan's success in pluralism and minimizing ethnicity in politics, it has trouble thinking in more modern terms about sovereignty.

In some senses, Taiwan can be seen as a postmodern state. Because of its conflict with China, it lacks many of the basic trappings of state sovereignty. Yet it has prospered and more than manages to get on in the modern world of global business and fading borders.

But instead of learning to love its place in the vanguard of the postmodern world, Taiwan often seems to cling to the past. Its foolish and doomed campaign for United Nations membership (China has a veto in the Security Council), although touted as a symbol of the new confidence of the Taiwanese people, is in fact a sign of the opposite.

A genuinely more confident Taiwan would approach sovereignty in a much more innovative way. Significantly, Foreign Minister Frederick Chien told me that the campaign for UN membership, although still "important," was no longer seen as "urgent."

But there is much more that Taiwan can do. For example, instead of antagonizing Japan by joining with China in claiming sovereignty over the Senkaku Islands in the East China Sea, it could abandon all claims and build closer relations with Japan.

It could offer to surrender its holdings in the disputed Spratly Islands in the South China Sea to develop better relations with the Association of South East Asian Nations.

Most realistically, it could be far more transparent in revealing details of its defense policy, thereby strengthening ties with East Asian countries that want to encourage China to be much more open on military matters.

The writer, a senior fellow at the International Institute for Strategic Studies and director of Britain's Pacific Asia Program, contributed this comment to the International Herald Tribune.

Indonesia: Much to Answer For, but Making Progress

By Robert A. Manning

WASHINGTON — Jakarta's colonial-like behavior in Timor during the past two decades has been ill-advised and leaves it with much to answer for. But it must be placed in historical, social and political context.

Indonesia did not simply decide one day that East Timor was ripe for the picking and invade. The annexation was the result of colonial Portugal's actions.

Five centuries of Portuguese colonialism did virtually nothing to improve the lot of East Timorese and left Indonesia with a devil's choice.

In 1975 a leftist government in Lisbon decided abruptly to abandon East Timor and turn it over to the Front for the Lib-

eration of East Timor, a self-styled Marxist guerrilla group. That left Indonesia — which in 1965 had resolved its own Communist problem with extreme violence — with the choice of accepting a Leninist regime in a Catholic enclave or intervening.

This is important to keep in mind as one watches Lisbon's self-righteous posturing at the United Nations.

Second, Indonesia, the world's most populous Islamic country, is particularly sensitive to potential secessionist movements in other provinces on some 7,000 islands.

It has, in fact, invested significant resources in East Timor

to improve living conditions, but this has done little to ameliorate the cultural and political clash. Jakarta also has held talks with Portugal to resolve the status of Timor, although little progress has been made.

None of this justifies Indonesia's repression in East Timor. The status quo appears unsustainable. Some accommodation over East Timor can and should eventually unfold.

No one disputes that Indonesia has its share of human rights problems. But the economic dynamism of the past quarter-century, which has lifted the majority of its 204 million people above the absolute poverty line, illuminates the

reality that Indonesia is changing. Indonesia's fledgling middle class and the proliferation of civil society — including activist human rights and environmental groups — are hallmarks of this process.

Of course, it has some distance to go. Its controlled political system is evidence of that. But it is useful to recall the recent history of another dynamic Southeast Asian state, Thailand, when judging Indonesia.

In the Thai case, as in Indonesia, the military played a major political role.

Yet after countless military coups, as a Thai middle class emerged, we saw that middle class out in the streets of Bangkok in 1992, armed with

cellular phones, restoring democracy and sending the military back to its barracks.

As its economy continues to grow at 6 to 7 percent annually, and as generational political change unfolds, a more tolerant and pluralistic Indonesia is likely to ultimately develop, certainly after the rule of 75-year-old President Suharto.

World opinion matters, and multilateral pressure might affect the pace and scope of change in Jakarta's behavior. But public ultimatums from abroad are unlikely to be effective.

The writer, a senior fellow at the Progressive Policy Institute, contributed this comment to The Washington Post.

Welfare in America Is Broken, and the Fixing Can't Be Easy

By Robert J. Samuelson

WASHINGTON — We are now hearing a lot about the promise and peril of "welfare reform." To its champions, the legislation nearing congressional approval would destroy the "culture of dependency." Critics see it as further impoverishing many poor families.

Both are correct. The exercise aims to promote self-reliance by making it harder for people to rely on government. Without the threat of extra suffering, people would have no reason to change. What can't be predicted is how the good and bad will balance.

I have put "welfare reform" in quotes because "reform" is a term of art. It is automatically attached to any scheme for social change, from "campaign finance reform" to "school reform." In debates over these proposals, the protagonists act as if they can easily foretell the effects, for good or ill. As often as not, this convenient fiction spawns "reforms" with many unintended consequences. The

process is now in full swing with "welfare reform."

The combatants regularly issue confident predictions and shrill denunciations that depict a fixed future. Last week, for example, the Urban Institute, a research group, released a study estimating that the House-passed welfare bill would increase the number of people in poverty by 2.6 million people, including 1.1 million children. Naturally, opponents of the legislation seized upon this to emphasize how bad it is. But a close look at the study shows that its conclusions ought to be highly qualified.

The congressional bill would give states great flexibility to run their welfare programs within broad federal guidelines. Total lifetime federal benefits would be limited to five years, although states could exempt 20 percent of their caseloads. States would be pressured through complex regulations to move

most mothers into some type of "work" within two years.

After making some assumptions about state programs, the Urban Institute study estimates that the loss of benefits would outweigh the increase in earnings from jobs.

This could happen. The study's assumptions are not implausible. But uncertainties abound. The full rise of people in poverty would occur only in 2002 after all the bill's provisions took effect. Between now and then, Congress (or the states) could make changes if things went badly.

This is especially true of the bill's worst provisions: the denial of many benefits, including food stamps, to legal immigrants. That alone accounts for about two-fifths of the benefit cuts.

The truth is that it is hard to know in advance whether more people would be better or worse off under "welfare reform."

The Urban Institute study assumes that two-thirds of mothers who lost welfare would get jobs, many part-time, paying about \$6 an hour. That would not offset all the lost benefits. But this may miss some other favorable effects.

Stringy welfare would discourage some out-of-wedlock births and prompt some parents to marry. "The main route off welfare for good is marriage," says Douglas Besharov of the American Enterprise Institute.

How large might these changes be? Neither Mr. Besharov nor anyone else knows. But the social climate is shifting, and "welfare reform" is simply a part of the change. Harsher welfare may reinforce the messages that many teenagers are hearing elsewhere; and the impact may be amplified by tougher enforcement of child support payments.

Teenagers account for 29 percent of out-of-wedlock births. The worst aspects of the "welfare problem" would diminish if, somehow, these pregnancies would drop.

The case for the present "welfare reform" is that, despite many flaws, it would disrupt the existing system. We may discover what works and what doesn't. Some states would end phase job training and child care for welfare mothers; others would impose harsh time limits. All could be forced to examine how charities, churches and self-help groups can best aid vulnerable families.

We ought to be sober about the possibilities. We are dealing with the most stubborn problems of poverty — family breakdown, low skills and hu-

man relationships. Changing how people behave isn't easy. Indeed, new government figures show that out-of-wedlock births continue to rise. In 1994, they were 32.6 percent of all births, up from 28 percent in 1990. These numbers are an argument for assailing the status quo and a reminder of how hard it will be to change.

The welfare dilemma will endure. It is this: How can a decent society protect those who can't protect themselves without being so generous that it subverts personal responsibility? No one on either side of this bitter debate has an obvious answer.

Washington Post Writers Group.

A Dickensian Picture

THAT America's welfare system needs rethinking is accepted now by most people. Instead of emergency help, it has become a way of life for millions. There is a culture of dependency. But the new legislation hardly even pretends to deal with real problems. It simply passes the buck to the states, gives them reduced block grants and assumes that they will do better with less money.

What the legislation will do is victimize poor children. Its "fearsome assumption," said Senator Daniel Patrick Moynihan, is that "the behavior of certain adults can be changed by making the lives of their children as wretched as possible." The New York Democrat predicted that the bill will force hundreds of thousands of children to live on the streets.

It is a Dickensian picture.

—Anthony Lewis, writing in The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: War Balloons

PARIS — It is intended to make some important experiments at Aldershot in dropping explosives of various kinds from balloons. The missiles will descend from differing heights and under varying circumstances. The construction of war balloons is also receiving much attention at the present time in the Aldershot ballooning establishment, where improved balloons are being constructed for experimental purposes.

1921: Morocco Rebels

PARIS — Despatches from Madrid indicate that the highest authorities there now practically admit that the Spanish positions in Morocco are untenable and that Melilla alone, of all the fortified areas, is counted upon to hold out against the rebels. The leaders of the Kabyle tribes are said to be

preaching a holy war against Spain, and the natives are joining the insurgents in great numbers. The chief spokesman of this movement is said to be a Kabyle chief who at first espoused the Spanish cause, but was so badly treated that he returned to lead his people.

1946: Marines Remain

SHANGHAI — American Marines are to remain in North China at their full current strength, Admiral Charles M. Cooke, commander of the United States 7th Fleet, told a press conference today (Aug. 5). "When we are attacked we are going to shoot back," he said. Admiral Cooke discussed the ambushing near Peiping on July 29 of a number of marines and identified the attackers, who killed four marines, as Chinese Communists. U.S. Marines had been sent to China to repatriate the Japanese and assist in restoring peace.

Herald Tribune

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S.A.S. an capital of 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1996 International Herald Tribune. All rights reserved. ISSN: 0244-0182

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OPINION/LETTERS

The Voter Isn't Getting A Chance to Choose

By William Pfaff

PARIS — President Bill Clinton took the welfare issue away from the Republicans last week by promising to sign a substantially Republican welfare reform bill and calling it his own. It was the latest in a series of political larcenies that have left the Republicans furious and frustrated.

Sound-bite journalism and voters' lack of attention span make it impossible for Republican politicians to explain that the bill really is theirs and not, as the president said, "a historic opportunity" provided by grace of the Clinton White House.

Burglary of the Republicans has been very successful in the polls, but the result is to block the electorate's chance to choose difference. Nothing different is on offer.

In Britain, Tony Blair — leader of "New Labor," the Labor Party as renamed for campaign purposes — is doing the same thing. A London paper described a Labor economic policy document issued last month as composed in language that "would come happily to the lips of any Tory minister." A British general election is due within nine months.

In the past, political candidates — particularly when running against a spent and unpopular government, as the Labor Party is doing — emphasized the difference between them and the other side. There are two reasons why they are not doing so today.

Political attacks have become so vicious and unscrupulous that it is dangerous to allow the other side any room to exploit any issue. Welfare reform in the United States, and taxes in both the United States and Britain, have been treated with such demagoguery as to eliminate virtually any possibility for nuanced discussion.

The second explanation, so far as the United States is concerned, is that little money is available today to support social causes. The serious political money comes from business, which prefers Republican administrations that will willingly reinsure with the Democrats.

Mr. Clinton has told voters that the only way to create jobs and keep the economy moving is to give corporations what they want. He and his counselors know that voters who have suffered from the economic upheaval of recent years have no other party to support.

The Democratic Party in any case has in recent years neglected social causes (other than affirmative action, a vote-loser today) because it has been obsessed with the so-called cultural issues. These are passionately interesting to activist minorities but seem irrelevant and often threatening to the working and middle-class people who used to vote Demo-

cratic, before Ronald Reagan. These voters cautiously returned to the Democratic fold in 1992 to elect Mr. Clinton, but many defected again in the 1994 congressional vote.

We are headed for elections in both the United States and Britain in which rival parties are scrambling to occupy the same ground. They are not doing so for positive reasons, because middle-ground positions are necessarily the most popular ones, but because they seem the safe ones.

This choice is comprehensible as a tactic, but robs the election of meaning. In the United States, the part of the electorate which believes itself excluded, unrepresented, and which is open to populist appeals or even to radical alienation in militia paranoia and conspiracy theory, is going to get bigger this year.

Yet 1996 is an election year which calls out for sharply defined debate and a challenge to the suffocating conventional wisdom on social and economic issues. People are seriously unhappy, and anxious about the future, yet they hear the same thing from the parties on both left and right.

At the intellectual level, the conventional consensus on economic issues is cracking. Recent studies at the United Nations, the World Bank and the Organization for Economic Cooperation and Development suggest that economic growth and job creation are fastest where the division of national wealth is fairest. That is not the current wisdom.

The studies indicate that the increasing stratification of wealth in recent years in the United States and Britain has negative consequences. The UN Human Development Report published in July stated that "a positive correlation between economic growth and income equality" has been identified.

An as yet unpublished World Bank paper (by its chief economist, Michael Bruno, quoted in the London press) concluded that the higher the share of national income of the richest fifth of a country's population, the lower the country's rate of growth.

The OECD Economic Outlook published in June concluded: "The future prosperity of OECD countries depends on reducing social and economic exclusion in the forms of high unemployment, nonparticipation in the labor market... and in some instances growing inequalities in earnings and incomes."

As matters stand, you will hear little or nothing about those issues in the political campaigns. You might have thought them the important issues.

International Herald Tribune.
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1950s



1996



A Virtuous Library of the Past

By Alexander Wooley

TORONTO — Saturday marks the 225th anniversary of a letter written by Thomas Jefferson to Robert Skipwith. The 1771 missive prescribed all the books needed for the perfect "gentleman's library."

Jefferson had composed the list at the repeated request of Skipwith. Like the harried citizen of

MEANWHILE

today, Skipwith wrote about the books: "I would have them suited to the capacity of the modern reader... who has not leisure for any intricate or tedious study. Let them be improving and amusing."

Jefferson had been asked for a brief list, but his final compendium ranged over 148 titles and 379 volumes. Titles ranged from Milton and Locke to "Tull's" Horse-Hoeing Husbandry and included botany, the law, religion and the ancient classics. The library is assembled today for posterity at the Brush-Everard House in Colonial Williamsburg, Virginia.

Much of Jefferson's collection we would take with us still: Homer, Shakespeare, Fielding, Sterne, Chaucer, Swift, Hume and Molière. Jefferson put on his list

novels, then a relatively new literary genre. In his letter, he explained: "A view of the second volume in this catalog would I suppose extort a smile from the face of gravity. Peace to its wisdom! Let me not awaken it. A little attention however to the nature of the human mind evinces that the entertainments of fiction are useful as well as pleasant."

Jefferson's choices came four years before the start of the American Revolution, issued from the pen of a 28-year-old. He was the same age as today's Generation X-ers. With little political experience and scattered over 13 disparate British colonies, in rural settings, the Jeffersonian generation managed to fight a war of principle. It emerged with a federal union, in large part because it was equipped for life with reading on a variety of subjects.

What literature would be added to Jefferson's list were a new library being put together today? Two hundred and twenty-five years have seen Melville, Poe, Shaw and Wilde and Yeats, Evelyn Waugh, "Pride and Prejudice," Dickens, Orwell, "For Whom the Bell Tolls." "All

Quiet on the Western Front," Dostoyevsky's "The Idiot," "War and Peace," Maugham and Mann and Kafka, Steven Weinberg's "Dreams of a Final Theory," Steinbeck, Proust, John Keegan, "Boys of Summer," V.S. Naipaul's "India: A Million Mutinies Now."

Children have learned to read from Milne, Carroll and Dr. Seuss. Words have risen from the page and stepped into the steamy salons and bedrooms courtesy of Tennessee Williams and Edward Albee.

Jefferson's era brought with it democracy and the rise of American literature. It also predates the great revolutions in Europe, the savagery of the American Civil War, Crimean War, Boer War, Spanish Civil War, two World Wars and the fratricidal conflicts — Vietnam included — that craze the portrait of civilization.

Whereas in 1771, war was still waged by the professionals and the pressed savagery and murderous technology have afforded the Western canon new terms such as smart bombs, blitzkrieg, collateral damage and concentration camp. Clausewitz and Sun-Tzu have been replaced by volumes the best of which are both poignant and cynical.

Jefferson's time was not "halcyonic," just more exclusive. To the "total war" of the recent past has been added total sex. War and sex are more available in 1996 than in 1771, and customers more promiscuous in courting each. Multiple partners are sought to wage both, and lurid, technical accounts subsequently penned.

In contrast, books for Jefferson were a source of entertainment and lessons in virtue. In his Aug. 3 letter, he noted: "Thus a lively and lasting sense of filial duty is more effectually impressed on the mind of a son or daughter by reading 'King Lear,' than by all the dry volumes of ethics and divinity that ever were written."

Jefferson the democrat, the libertarian, the politician, should be credited for allowing there to be libraries with good and bad in them in the first place, and for his very own record and that of humanity to be debated.

What he forgot is that books are dangerous. Libraries are apocalyptic meeting places where one can borrow incendiary devices for two weeks at a time.

Which of these titles makes you squirm or want to pick up a censor's pen? "The Diary of Anne Frank" or "Mein Kampf"? "Lady Chatterley" or "Ulysses"? "Huckleberry Finn" or Salman Rushdie, Mao's little red book? "The Power Elite" or "The Feminine Mystique"? "Origin of Species," the Bible, the Koran or Iris Murdoch's "Metaphysics as a Guide to Morals"? Anything about Hiroshima?

Mr. Wooley, a writer in Toronto, contributed this comment to The Los Angeles Times.

LETTERS TO THE EDITOR

Examining Terrorism

Regarding "Stop Going Easy on Terrorism, Domestic and International" (Opinion, July 31) by A.M. Rosenthal:

I agree with Mr. Rosenthal that the West has failed to act against international terrorists, and that "the chief reason is that trade profits have become more important to Western society than human lives or even national stability and safety."

But there are two aspects of this issue which should also be addressed. The first deals with the appropriate agency to handle causes of international terrorism.

It must be regarded as a matter of regret that the anti-terrorism conference held in Paris on July 30 continued the tradition of seeking redress in national courts for what really is a crime against humanity. If we really wish to sustain condemnation of international terrorism, as distinct from domestic terrorism, the credibility of the process of handling those accused must be maintained.

The second aspect needs to be stated with circumspection. One of the measures agreed to at the Paris meeting was "cracking down domestically on the manufacture, sale, transport and export of explosives and firearms" ("Western Nations Chart War Against Terrorism," July 31). Why was there silence on the export of arms to dictatorships and repressive regimes?

The list of nations which re-

sorted to arms to secure freedom from oppressive regimes is a long and respectable one, including France (the French Revolution) and the United States (the War of Independence). All over the world, there are people fighting military dictatorships and oppressive regimes.

By supplying arms of all kinds to these regimes, other states become targets for those fighting these dictatorships. One of the ways to stop international terrorism is to stop the export of arms to dictatorships and oppressive regimes even if there are excessive profits to be made from the arms trade.

A. BOLAJI AKINYOMI,
Pinner, England.

The writer is a former foreign minister of Nigeria.

Terrorism is not committed in order to further causes. How could the publicity surrounding the murder of innocent people further a cause? Terrorist acts are committed in order to vent anger at what their perpetrators consider injustice.

Without condoning terrorism in any way, might we not make greater efforts to correct real injustices, such as racism, poverty, hunger and inadequate immigration policies?

Now that the techniques of terrorism are well known, will terrorism ever cease as long as weapons and the ingredients to make bombs are still freely available, no matter how much income

or jobs would be lost if that free access were halted?

LESLIE SCHENK,
Chevilly-Larue, France.

Regarding "Nations Have Little Hope of Intimidating Muslim Terrorists" (Opinion, Aug. 3) by William Pfaff:

I must take issue with Mr. Pfaff's description of a terrorist as "an idealist." A terrorist is a murderer whose intention is to terrorize preferably unnamed civilians. It could be argued that a person who takes up arms against an army, for example the PLO against the Israeli army or the IRA against the British, could be termed a freedom fighter.

Idealists are people who look for a better world. A person who kills with the hope of attaining paradise is a simple, selfish killer. Nothing more.

SALLY WHITE,
London.

Regarding "Anxiety in the Heartland: America Used to Be a Safe Place" (July 29):

It took my moving to Britain to realize how violent and terrorized American society really is. Americans, it seems, can readily accept being shot, but not bombed. Maybe the "heartland" would feel less anxious if the constitution were amended to include the "right to bear bombs." Remember, bombs don't kill people, people do.

ROBERT G. PILLER,
London.

Academic Morality

In her essay "A Concept Gone Astray Poses a Risk for Women" (Meanwhile, July 16), M. Patricia Fernandez Kelly demonstrates a striking lack of equity. While writing that the woman graduate student was "in her late 20s," she said nothing about the age of the male professor with whom the student had an affair — surely an equally relevant fact.

But more important, the disparity between each person's power and responsibility means that the professor (no matter how "voluntary" the student's involvement may seem) always retains the moral burden of decision-making about sexual relations in this situation.

As a matter of simple decency, faculty members (male or female) should forgo sex with students. If they do not, they deserve to suffer the consequences of their lax behavior. Such a simple rule of academic conduct would avoid much pain as well as rhetoric about legal procedures and definitions.

MARION HUNT,
Lieuvey, France.

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Quasar Khanh, designer of clothing, furniture, bicycles and hovercraft, now has plans for the Saigon River.

A Designer Back in Vietnam

By Carey Zesiger

HO CHI MINH CITY — In a renovated colonial villa on Pham Ngoc Thach Street, Quasar Khanh sketches out his latest designs. Over the years he has tackled everything from bicycles and bridges to haute couture. Now he is at work on his latest obsession — hovercraft.

Tokens of his invention are scattered about the house. A clothing catalogue shows off recent offerings from Emmanuelle Khanh, the fashion company he started back in the '60s with his first wife.

Draft paper covers his desk, with sketches and cut-aways of a sleek jet-powered hovercraft he aims to build, designed to top 100 knots and break the world speed record held by the U.S. Navy.

On a side table rests a scale model of a bridge he plans for the Saigon River, while out the window, leaning against a courtyard wall, rests another Khanh prototype — the

"Bambooette," a mountain bike with a rattan frame. Khanh's house, like his work, is an odd blend of high-tech and low-tech. Stone and iron Buddha figurines line a wall of the living room, facing spartan wood and bamboo furniture of his own design. Computerized appliances stare out of the open kitchen as a gecko scurries toward a skylight. The tile roof rises to a peak over old wood beams; the air conditioners have been replaced by ceiling fans.

Air conditioning? "Who needs AC?" Khanh says. "I don't need AC. This is Saigon; I choose to live here."

In fact, Khanh chose fairly recently to come back to Vietnam. Born Nguyen Manh Khanh in Hanoi in 1934, he was taken to France by his mother at age 15. His father, an engineer, had died during the construction of the Haiphong port before he was born.

Following in his father's footsteps, Khanh graduated from France's elite school for engineers, the Ecole des Ponts et Chaussées, but then

veered away from civil engineering and into the world of fashion and design. He took the name Quasar when he was in his 20s because, he says, it suggested something modern and universal. As a Vietnamese exile in France, he was searching for an identity unfettered by nationality.

Throughout his career, Khanh has made a point of defying norms. "I like to break down barriers," he says. "I like the pioneer spirit."

"I should have been American," he adds. "I really admire people who dare."

KHANH'S daring catapulted him onto the international design scene in Paris in 1960 when he and his wife, Emmanuelle, a model, launched a line of clothes. He caused a stir at a club called New Jimmy's with some of his designs, like a dress molded almost entirely of transparent plastic.

"I like sculpture," Khanh says by way of explanation. "This was really a sculpture dress. The bra was solid silver, hung from a collar, and under that it was molded plastic."

For an encore he offered a matching nightgown with built-in fluorescent lights.

He also designed a line of inflatable furniture and a plexiglass cube-car during this period. "The sky was the limit — at that time anything was possible," Khanh recalls.

In recent years his firm, Quasar Khanh International, has become involved in larger projects, participating in building the huge Daniel Johnson dam on the Manicouagan River in Quebec and designing a building complex for the Grande Armée de La Défense outside Paris.

With large projects came big responsibilities, and

Khanh started feeling that of the fun and innovation were getting lost along the way. He began searching for new inspiration. He found it in his native Vietnam.

Visiting the Basson shipyards along the Saigon River, Khanh put his mind to a problem that had plagued city planners for well over a decade: how to bridge the river and develop the far bank without shutting down the city's port.

He came up with an elegant solution — building the bridge on piles over the river, accessed by a wide spiral ramp. But his vision does not end there. He sees a network of high-rise buildings fanning out from the bridge on the far side, transforming the shanties and billboards that line the bank into a city of tomorrow.

Khanh faults traditional cities for falling victim to two-dimensional thinking. "Either they are too expansive, like L.A.," he says, "or they are all high-rise towers where you live in isolation."

He envisions Thu Thiem, across the river, as the first truly three-dimensional city, where all the high-rises would be connected at various levels by walkways and elevated roads. Khanh imagines commuters walking, biking or roller skating from place to place. For motorized transport, he favors elevators and perhaps trains — cheap, efficient and nonpolluting.

It is too early to say whether city planners will choose his design. But from the vantage of his villa, this doesn't seem to bother him. Having mastered bamboo bicycles and jet-powered hovercraft, in Ho Chi Minh City Khanh finally feels at home.

Carey Zesiger is a freelance writer who lives in Vietnam.

Fashion: Women Spending Less

By Jennifer Steinhauser
and Constance C.R. White
New York Times Service

NEW YORK — Reluctant to the back of Renée Frierson-Davis's closet are the high-priced business suits she wore daily until two years ago. Front and center now is a less costly assortment of jeans and khakis, casual wool pants and shorts sets.

It is a change in wardrobe that mirrors a quiet but clear shift in Frierson-Davis's attitude. A 36-year-old self-employed lawyer with two children from Frierson, New York, Frierson-Davis still loves fashion. But increasingly she thinks she no longer needs to dress up to show she is someone. "I used to use clothing to define me," she said. "Now I know a little better who I am."

And, given her busy life, she'd rather wear something comfortable and appropriate not just for the courthouse but also for grocery shopping and shuffling the kids. Furthermore, she now looks elsewhere for the pleasure she once got from shopping for clothes — to exercise, tennis, manicures.

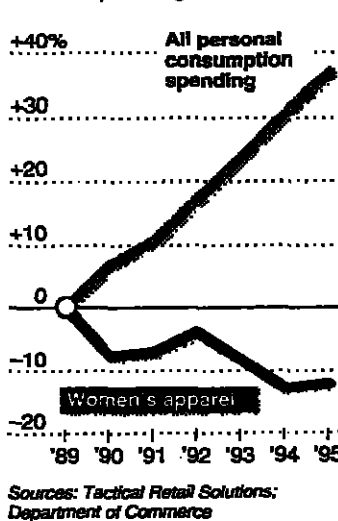
The American woman has radically changed her attitude toward clothes, and that has drastically altered what she buys. Recent studies and interviews with 40 women are finding that especially among the aging baby boomers, money that once went to the perfect red suit is now going to a variety of new places.

Not only is it being spent on more casual, often less expensive clothes, from jeans to chenille sweaters to workout wear. Now the money is also increasingly going to other passions, from one's children, to investing, to a variety of goods and services being marketed as salves for a stressful life: back-packing trips and gardening tools, vanilla-scented candles and spiritual retreats, weekly manicures and weekend spas. It's as if women have decided they prefer experiences to outfits as relief from their demanding lives. "We are not just an industry competing with ourselves anymore, but with every industry," said Eric Hertz, executive director of the Fashion Association, a trade organization.

This profound shift, just starting to be understood in the fashion business, has contributed greatly to a 12 percent drop in sales of women's apparel in the U.S., from the record \$84 billion set in 1989 to \$73 billion last year, according to Tactical Retail Solutions, a market-research firm in New York. Industry experts, economists and government

Just Browsing

Percentage change in consumer spending since 1989.



Sources: Tactical Retail Solutions; Department of Commerce

agencies that track spending confirm that there has been a significant drop. The decline is all the more stunning when compared with overall personal spending — which grew 37 percent during the same period, according to figures from the Commerce Department.

A decade ago apparel makers and retailers expected a glorious future. After all, more women would be working. And designers and retailers saw little reason to believe that women in 1996 would not continue their ascent in the workplace and continue to demand the expensive, complicated armor that went with it. When sales instead began to decline in the 1990s, many in the business attributed their problems mainly to too many stores and too many women sitting out a few fashion seasons.

Now they are increasingly recognizing that women are moving on to other things, and that money that once went to fashion might be going elsewhere for good. That has huge implications for one of the nation's largest industries. Counting textile mills, manufacturers and retail stores, the apparel business employs more than five million people and ranks among the four largest employers, along with health care, automobiles and government.

The change in women has produced some striking losers — mainly clothes perceived as too formal, too impractical, too expensive or too unflattering

on maturing bodies. The navy power suit with padded shoulders and the accompanying floppy bow, the uniform of millions of women in the work force in the 1970s and '80s, is nearly extinct, little more than the butt of a joke. Sales of blouses fell 12 percent between 1991 and last year, according to a study of 16,000 American households by the NPD Group, a market research firm in Port Washington, New York. Hosiery sales dropped 6 percent between 1993 and last year.

The designers and retailers that counted on such merchandise have struggled. Among them are the fashion companies Anne Klein, Perry Ellis, Calvin Klein, Escada, Leslie Fay, Esprit and Liz Claiborne, and the retailers Martha, Barneys, Ann Taylor, The Limited, Charming Shoppes and Casual Corner.

One example of how not recognizing the changes among women can mean disaster is the so-called modern romantic look, typified by ruffled blouses with full cascading sleeves and long velvet skirts. Bloomingdale's bet big on the look in 1993, devoting an entire catalogue to it. But women didn't want a costume that seemed impractical in a variety of settings. Sales were less than half that expected. High-priced "grunge" fashions, the monastic look (cap and crucifix jewelry), and see-through and lingerie-style clothing met similar fates.

BUT there are also signs of life in the business. Some designers and retailers are finding ways to win women back, as indicated by mild sales upticks among various apparel retailers in recent months. They are selling comfort and practicality. The winning words among fashion retailers are no longer "power dressing" and "designer label" but rather "casual comfort" and "multiple-end use" — clothes that will serve women through their various role switches and long days.

Sales of pants suits grew 167 percent between 1990 and last year, NPD's numbers show, and sales of knit shirts increased 31 percent. Vest sales rose 488 percent. Among the winners are the labels Dana Buchman, Emanuel and Searle, and the retailers Saks, Roebuck, Target Stores and the Gap.

Also hurting the apparel industry is growing competition from other kinds of businesses, many of which have recognized that relaxation and stress reduction are a siren song. Many women are spending more on their bodies and less on what goes on them.

But Mirror-Conscious Men Are Splurging

New York Times Service

NEW YORK — Even as women are spending less on clothing, men are spending more. Between 1991 and 1995, retail sales of men's apparel rose 16 percent, according to Tactical Retail Solutions, a market-research firm in New York.

To be sure, that rise has not been as fast as the increase in personal spending as a whole, meaning men, like women, are also devoting a smaller part of their budget to clothing.

But the numbers for men look better than those for women, for several reasons. For one thing, women's apparel prices have fallen more than men's. Partly that's because there has been more competition in the women's business. Also, the women's industry, more than the men's, has been able to lower prices by using less expensive fabrics and simpler designs, experts said. "The women's tailored dress of \$79.99 or \$100 has been replaced by the cotton or rayon dress that can sell

for \$39 or \$49," said Peter Simon, the director of apparel service at the NPD Group, a market research firm in Port Washington, New York.

Like women, men have been buying more casual clothes for the office, with khaki pants, sport coats and trousers, knit shirts and penny loafers replacing suits, dress shirts and wing tips. "One of the areas of biggest growth is sportswear," said J. Stanley Tucker, a senior vice president and fashion director

for men at Saks Fifth Avenue.

Also buoying the men's market is the mirror. Many men who once paid little attention to clothes are now feeling growing pressure to look fit and fashionable in a culture that still prizes youth, many fashion and retailing experts agree.

But even with men's recent gains, women still outspend men by a lot. Retail sales of women's clothing last year totaled \$73 billion, Tactical reported, while men spent \$40 billion.

BOOKS

By Robert Byrne

VLADIMIR Kramnik beat Garry Kasparov in Round 6 in the Dos Hermanas Tournament, in Spain. Kramnik's favorite Semi-Slami Variation, 4...e6, makes a deceptively stodgy impression, in reality Black is preparing for counterattack.

Black gives up his bastion in the center with 6...d5 so that after 7 Bc4 he can counterattack on the queenside with 7...b5.

White takes over the center with 10...

Vail, full of amusingly cynical opinions, insists that films have defeated the novel as a form.

"What's the point of writing a lyrical passage about nature, painting the world in red heat, a beautiful sunset, a mountain range coated with snow, the awe-inspiring waves of great oceans," he declares. "And how can we write about the amazing deeds of heroes who slay their

enemies by the hundred, when you can get it all in gouts of blood before your eyes, tortured agonized faces on the screen. Actors and cameras doing all the work without processing through the brain."

Vail is actually quite wrong. Just as good live theater offers an immediacy that movies can't match, the best novels surpass all films in the subtlety with which

their language can work on one's sensibilities.

Yet clearly the power of film has intimidated Puzo into thinking of his books as movies. And by screening in his mind's eye the story he tells in "The Last Don," he may have created a decent sequel to "The Godfather."

Christopher Lehmann-Haupt is on the staff of The New York Times.

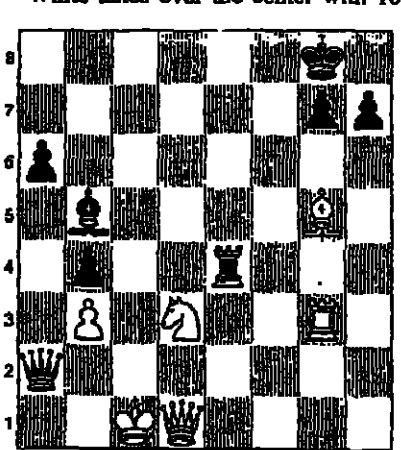
CHESS

By Robert Byrne

VLADIMIR Kramnik beat Garry Kasparov in Round 6 in the Dos Hermanas Tournament, in Spain. Kramnik's favorite Semi-Slami Variation, 4...e6, makes a deceptively stodgy impression, in reality Black is preparing for counterattack.

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Position after 33 Rg3

e4. After 10...c5 11 d5, the gambit is sound: 11...e2 12 Nd5 Nd5 13 e3 Bd5 14 Bb5 ab 15 Qd5 Be7 16 Bg5 O-O 17 Rad1 yields a nice lead in development.

Kasparov's 14 b4 cannot be ignored, for then the e6 pawn goes.

Kramnik's daring 16...Nce4!! let Kasparov follow his idea of attacking the e6 square after 17 Be4 Nd4 18 de.

With 20 f3, Kasparov planned to force a knight retreat and then strike in the center with 21 Re1. But Kramnik refused to submit, and immediately started a melee on the kingside with 20...Qh5! The champion could not be lured into the losing 21 fe? Qh2 22 Kf2 O-O 23 Nf3 Be4 24 Ke3 Bf3 25 Rf3 Bf4 26 Kf2 Bg3 27 Kf1 Qh1 28 Ke2 Qg2 29 Kd3 Rad8.

After he had loosened the white king position, Kramnik sacrificed a knight with 21 O-O! to fuel his attack. Not to take it would leave Kasparov staring at a lot of firepower, so he went ahead.

On 22...Qh5, Kasparov could not bring a piece out with 23 Bf4 because 23...Bf4 24 g4 Qe3 25 Rf2 Rf4 26 Qd2 Rg4 27 Kf1 Qe4 28 Nf3 Rf8 29 Re1 Qf3 30 Rf3 Rf3 31 Ke2 Rg2 32 Kd1 Rd2 wins easily for Black.

Maybe the best defense for Kasparov would have been 23 Qe2, although it is not easy to see how he would get out of the bind after 23...Rfe8! 24 Be3 Be4 with the threat of 25...Bg3! In this same line, 24 Qg2 Qg2 25 Kg2 Re4 26 Nf3 Re2 27 Kg1 Rf8 28 Nb4 Rf1 29 Kf1 Rh2 30

Nf5 Be5 31 Rb1 Be4 wins for Black.

After 23 Nf3 Bg3, Kasparov could not go into 24 hg? Qg3 25 Kh1 Be4. But his 24 Nc5 was proved inadequate by Kramnik's powerful 24...Rf3! 25 Rf3 Qh2 26 Kf1 Be6!

Kramnik's 28...Re8! virtually decided the game. But on 29 Ra2, he missed 29...Bd3! 30 Rd3 (or 30 Qd3 Qh1 31 Ke2 Qe1 mate) Qh1 31 Ke2 Qg2 32 Ke3 Re4 mate. No matter: he had other ways of winning.

After 33 Re3, Kramnik set up a mating net around the white king with 33...Qa1 34 Kc2 Qc3 35 Kd1 Rd4. Kasparov gave up.

SLAV DEFENSE			
White Kasparov	Black Kramnik	White Kasparov	Black Kramnik
1 d4	d5	19 e1	Qf7
2 c4	e6	20 f3	Qx5
3 Nc3	Nf6	21 g3	0-0
4 Nf3	e8	22 fe	Qh3
5 e3	Nbd7	23 Nf3	Bg3
6 Bc4	de	24 Nc5	Rf3
7 Bc4	b5	25 Rf3	Qh2
8 Bc3	Bb7	26 Kf1	Be5
9 g4	ab	27 Bg5	Rf8
10 e4	c5	28 Nc3	Bf5
11 d5	c4	29 Ra2	Qh1
12 Be2	Qe7	30 Ke2	Qe1
13 Nd4	Nc5	31 Kd2	Qg2
14 b4	cb	32 Ke1	Qd1
15 ab	b4	33 Rg3	Qa1
16 Na4	Nc4	34 Kc2	Qc3
17 Be4	Ne4	35 Kd1	Rd4
18 de	Bd6	36 Resigns	

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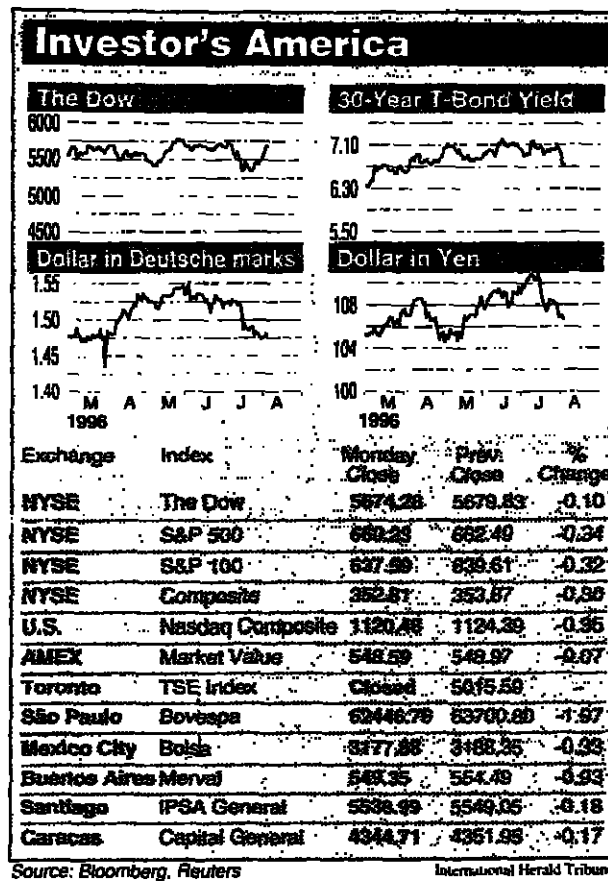
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تحتفظ من الأصل

THE AMERICAS



Very briefly:

Diamond Fields Head Drops Suit

DALLAS (Reuters) — Jean Raymond Boule, co-chairman of Diamond Fields Resources Inc., said on Monday that he agreed to dismiss his \$207 million Texas lawsuit against Exdium Inc.

The lawsuit alleged slander, libel, interference with contract, extortion and other causes of action in connection with the largest merger in the history of Canada, which involved Diamond Fields, a company that was created by Mr. Boule, and Inco Ltd.

Finland's Nokia Group has signed a contract with AT&T Wireless Services of the United States for cellular handsets worth more than \$100 million, Nokia said.

The International Monetary Fund has given Mexico another six months to borrow money set aside for healing its economy, Mexico's central bank said.

Lockheed Martin Corp. said it has set up an organizational structure that combines the electronics, services, information and systems integration businesses acquired from Loral Corp. with those operations at Lockheed.

Satellite TV Targets the Latins

By Brendan M. Case
New York Times Service

MEXICO CITY — Jose Antonio Rios of Galaxy Latin America and David Evans of Sky Entertainment Services Latin America lead companies that will soon be archrivals, and they agree passionately on at least one thing: Latin America is peopled by millions of budding channel surfers.

The two men hope to use satellite television technology to create an enormous Latin American market of people with no previous access to the multitude of channels common in richer countries. Their services will send dozens of digital channels cascading down from satellites to 24-inch dishes on people's rooftops.

"The digital baby has been born in Latin America," said Mr. Rios, whose company has begun offering service under the DirecTV brand name in Brazil and Venezuela. "This brings the region up to the best quality service in the world."

The multimillion-dollar projects illustrate both the promise and the challenge inherent in taking the latest media technology beyond the borders of rich nations.

While the potential audience in Latin America is huge, tapping into the market will require overcoming daunting obstacles that stem from the region's patchwork of countries and vastly unequal income distribution.

"This is the most important project we have," said Guillermo Canedo White, the chief financial officer of the Mexican media con-

glomerate Grupo Televisa, a partner in the Sky venture. "But from a legal, tax and administrative standpoint, it's a very sophisticated operation that we have to put in place."

Latin America could be a fertile market for satellite television. Known in the industry as DTH or DBS, direct broadcasting from satellite to home began in the United Kingdom in the late 1980s and is now blossoming around the world.

Latin America has almost 80 million television households, strong cultural similarities among nations and only two dominant languages.

The digital baby has been born in Latin America.

Spanish and Portuguese. Yet, pay television's penetration is less than 14 percent, compared with about 65 percent in the United States.

Some television executives predict that up to 10 million homes could be customers by 2005, a huge pool.

"We believe we could get 60 to 70 percent of that, or six to seven million homes, which would be bigger than BSkyB is now," said Mr. Evans, the chief executive officer of Sky Entertainment and an executive vice president of Rupert Murdoch's News Corp., which owns a 30 percent stake in the satellite television company.

Mr. Evans was referring to Brit-

ish Sky Broadcasting, currently the world's largest satellite television company with about 5.3 million subscribers.

But such forecasts seem risky, given the absence of large middle classes in Latin America and the region's unproven demand for satellite TV.

Simon Murray, research director at Baskerville Communications Corp. of London, which publishes media newsletters, foresees only about 3.1 million subscribers in Latin America among all satellite television companies by 2000 and 5.3 million by 2005.

Satellite television may be too expensive for most consumers in Latin America. The cost of a satellite dish and decoder box, which DirecTV is currently selling without subsidies or a leasing plan, is \$450 in Mexico and \$900 in Brazil.

According to the Economic Commission for Latin America and the Caribbean, a research branch of the United Nations, more than 35 percent of the population in Brazil, Colombia, Mexico and several other countries is below the poverty line, while the wealthiest 10 percent of the population receives 30 percent to 40 percent of national income.

"I think it's going to take a while for people to feel comfortable spending that kind of money," said Stephen Messer, assistant director of the Columbia University Institute of Tele-Information.

But don't see a migration towards DBS until they give the equipment away for free.

STOCKS: Merger News Adds Spice

Continued from Page 11

Des Moines, Iowa, said it made a \$39-a-share, \$1.17 billion unsolicited bid for IES Industries, a move intended to thwart IES's plan to join two other power companies in a friendly combination.

MidAmerican's bid is the second attempt this year by a U.S. utility to keep rival power companies from joining forces. These acquisitions are expected to become more common as competition increases in the electric power industry.

MidAmerican share prices declined 62.5 cents, to \$16.00. IES Industries climbed \$3.50, to \$33.25.

IES agreed last year to a three-way merger with Madison, Wisconsin-based WPL Holdings Inc. and Interstate Power Co. of Duquenois, Iowa.

IES altered its agreement May 22 with Interstate Power Co. and WPL Holdings Inc. the parent company of Wisconsin Power & Light Co., giving IES shareholders 3 percent more compensation than first planned.

MidAmerican's bid to stop this union is similar in some ways to that of Western Resources Inc., which is trying to derail a friendly combination of Kansas City Power & Light Co. and Utilicorp United Inc.

American Radio Systems Corp. said it agreed to buy EZ Communications Inc. for about \$655 million in cash, stock and debt, a move that would make it the largest U.S. radio broadcaster.

Under terms of the transaction, EZ Communications shareholders will receive \$11.75 in cash and 0.9 share of American Radio Class A stock for each share they own. American Radio will also assume about \$203 million of EZ Communications' debt.

EZ Communications' share prices soared \$9.25 to \$41.75, but American Radio shares fell \$3.00, to \$36.50.

American Radio, based in Boston, will operate 96 radio stations in 20 markets and have estimated 1996 revenue of about \$340 million after completing the acquisition.

(Bloomberg, AP)

Wall Street Declines

U.S. stocks fell Monday as investors speculated that lower interest rates are needed to build on gains, news agencies reported. Financial issues declined the most.

Stocks were also hampered by a retreat in bonds and by speculation that stocks already reflect the improved outlook for corporate profits next year.

"The overwhelming factor is interest rates," said Larry Callahan,

portfolio manager of the Lindner Bulwark fund at Ryback Management Corp.

Decliners outpaced advancing issues by a 12-to-1 ratio on the New York Stock Exchange.

On Friday, stocks rallied broadly as interest rates declined in the bond market on signals, particularly the unemployment data, that the economy was not growing at an inflationary pace.

"The fear of the Fed has fallen by wayside, and now attention can turn

U.S. STOCKS

to what third-quarter profits will be," said Bill Meehan, market analyst at Prudential Securities.

Still, for many investors, inflation and interest rates anxieties will not be fully calmed until after the Federal Reserve Board's Aug. 20 policy meeting.

The biggest losers were savings and loans, money-center and regional banks, investment banks and brokerages. Federal National Mortgage Association dropped 1 1/4 to 33 1/4, Citicorp slid 1/4 to 85 1/4 and Merrill Lynch fell 1/4 to 62 1/4.

Meanwhile, the index of leading indicators, which is designed to predict U.S. business activity over the next half year, advanced to the highest level on record in June, a sign the economy could be regaining momentum.

"This is an economy that has shown surprising vigor," said William Sullivan, an economist at Dean Witter Reynolds in New York. "The economy may have somewhat greater potential in the months to come."

The Conference Board's index rose a larger-than-expected 0.5 percent in June to 102.9 after rising a revised 0.2 percent in May. The business research group estimated a month ago that the index rose 0.3 percent in May.

The benchmark 30-year Treasury bond price fell 9/32, to 90 9/32, for a yield of 6.76 percent, up from 6.73 percent on Friday.

The unwillingness of investors to send bond yields lower and the Treasury's planned sale of \$39 billion in new debt this week, "reminds you that fears of economic expansion will give the bond market some uncertainty, and that will keep a lid on the stock market," said Jack Shaughnessy, director of research at Advest Inc., a brokerage in Hartford, Connecticut.

Ford fell 1/4 to 33 1/4 after it said sales in July dropped 0.1 percent. Rivals Chrysler, which rose 1/2 to 29 1/4, and General Motors, which climbed 1/2 to 51, reported mixed results for the month last week.

(Bloomberg, AP)

A Franc Dilemma in Switzerland

Compiled by Our Staff From Dispatches

GENEVA — The sharp rise in the Swiss franc since last week, combined with the distressed Swiss economy, has ratcheted up the pressure on the Swiss National Bank to ease interest rates.

But the central bank is extremely unlikely to do so unless the Deutsche mark falls sharply below 0.8000 Swiss francs, several analysts said Monday.

The main problem is that Swiss money supply growth is growing faster than the bank would like.

Lowering Switzerland's 1.5 percent discount rate would only aggravate what is already seen as an unsustainably expansionist policy.

Ernst Zbinden, head of the bond research department at Bank Leu in

Zurich, said, "There's not much they can do. If they keep going on as they have this year, there will be inflation two years hence."

But the central bank is on the horns of a serious dilemma. With

the Swiss economy faring worse than expected so far this year, there is considerable political pressure on the national bank to bring rates down further, possibly as low as the 1 percent level seen in 1978-79.

In many ways pressure on the national bank is even greater now than it was then, because unemployment is higher and key sectors in the economy are weaker than they were in the late 1970s.

The French franc remained under pressure as the mark rose above the level of 3.40 francs on reports Monday that the government is having problems keeping 1997 spending at 1996 levels, dealers said.

The dollar went up against the mark as speculation that German unemployment rose in July renewed hopes for a Bundesbank interest rate cut. The dollar was quoted at 1.4813 DM, up from 1.4760 DM.

Against other major currencies, the dollar fell to 106.53 yen from 106.825.

It rose to 1.2015 Swiss francs from 1.2000, and to 5.0305 French francs from 5.0140 francs. The pound rose to \$1.5450 from \$1.5428.

(Knight-Ridder, AP, Bloomberg)

FOREIGN EXCHANGE

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AMEX

Monday's 4 p.m. Close					
The top 300 most active stocks up to the closing on Wall Street					
The Associated Press					
Stock	Sales	High	Low	Latest	Change
IBM	142 3/4	142 3/4	141 1/2	141 1/2	-1 1/4
Microsoft	240 1/4	240 1/4	238 1/2	238 1/2	-2 1/4
Apple	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Oracle	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Amazon.com	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Yahoo	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Ally	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Verizon	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
AT&T	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Time Warner	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Comcast	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
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Kroger	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Target	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
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Walmart	100 1/4	100 1/4	99 1/2	99 1/2	-1 1/4
Kroger	100 1/4	100 1/4	99 1		

NYSE

Monday's 4 p.m. Close
Nasdaq prices, not reflecting late trades elsewhere.
The Associated Press.

Symbol	Price	Change
IBM	100.00	+0.12
Microsoft	40.00	+0.10
Apple	35.00	+0.05
Oracle	25.00	+0.08
Sun	20.00	+0.05
HP	15.00	+0.02
Intel	12.00	+0.01
Motorola	10.00	+0.03
Comcast	8.00	+0.01
Verizon	7.00	+0.02
AT&T	6.00	+0.01
WorldCom	5.00	+0.05
Qwest	4.00	+0.02
Sprint	3.00	+0.01
US West	2.00	+0.01
Southwest	1.00	+0.01
Delta	0.50	+0.01
American	0.25	+0.01
United	0.10	+0.01
Southwest	0.05	+0.01
Delta	0.02	+0.01
American	0.01	+0.01
United	0.00	+0.01

Symbol	Price	Change
Alcoa	15.00	+0.05
Alumina	12.00	+0.02
Alcan	10.00	+0.01
Alcoa	8.00	+0.01
Alumina	7.00	+0.01
Alcan	6.00	+0.01
Alcoa	5.00	+0.01
Alumina	4.00	+0.01
Alcan	3.00	+0.01
Alcoa	2.00	+0.01
Alumina	1.00	+0.01
Alcan	0.50	+0.01
Alcoa	0.25	+0.01
Alumina	0.10	+0.01
Alcan	0.05	+0.01
Alcoa	0.02	+0.01
Alumina	0.01	+0.01
Alcan	0.00	+0.01

Symbol	Price	Change
Boeing	100.00	+0.10
Lockheed	80.00	+0.05
Northrop	60.00	+0.02
Raytheon	40.00	+0.01
Boeing	30.00	+0.01
Lockheed	20.00	+0.01
Northrop	10.00	+0.01
Raytheon	5.00	+0.01
Boeing	2.00	+0.01
Lockheed	1.00	+0.01
Northrop	0.50	+0.01
Raytheon	0.25	+0.01
Boeing	0.10	+0.01
Lockheed	0.05	+0.01
Northrop	0.02	+0.01
Raytheon	0.01	+0.01

Symbol	Price	Change
General Electric	100.00	+0.10
Westinghouse	80.00	+0.05
Lockheed Martin	60.00	+0.02
Boeing	40.00	+0.01
General Electric	30.00	+0.01
Westinghouse	20.00	+0.01
Lockheed Martin	10.00	+0.01
Boeing	5.00	+0.01
General Electric	2.00	+0.01
Westinghouse	1.00	+0.01
Lockheed Martin	0.50	+0.01
Boeing	0.25	+0.01
General Electric	0.10	+0.01
Westinghouse	0.05	+0.01
Lockheed Martin	0.02	+0.01
Boeing	0.01	+0.01

Symbol	Price	Change
Johnson & Johnson	100.00	+0.10
Pfizer	80.00	+0.05
Merck	60.00	+0.02
Novartis	40.00	+0.01
Johnson & Johnson	30.00	+0.01
Pfizer	20.00	+0.01
Merck	10.00	+0.01
Novartis	5.00	+0.01
Johnson & Johnson	2.00	+0.01
Pfizer	1.00	+0.01
Merck	0.50	+0.01
Novartis	0.25	+0.01
Johnson & Johnson	0.10	+0.01
Pfizer	0.05	+0.01
Merck	0.02	+0.01
Novartis	0.01	+0.01

Symbol	Price	Change
Amgen	100.00	+0.10
Genentech	80.00	+0.05
Schering-Plough	60.00	+0.02
Amgen	40.00	+0.01
Genentech	30.00	+0.01
Schering-Plough	20.00	+0.01
Amgen	10.00	+0.01
Genentech	5.00	+0.01
Schering-Plough	2.00	+0.01
Amgen	1.00	+0.01
Genentech	0.50	+0.01
Schering-Plough	0.25	+0.01
Amgen	0.10	+0.01
Genentech	0.05	+0.01
Schering-Plough	0.02	+0.01
Amgen	0.01	+0.01

Symbol	Price	Change
Amgen	100.00	+0.10
Genentech	80.00	+0.05
Schering-Plough	60.00	+0.02
Amgen	40.00	+0.01
Genentech	30.00	+0.01
Schering-Plough	20.00	+0.01
Amgen	10.00	+0.01
Genentech	5.00	+0.01
Schering-Plough	2.00	+0.01
Amgen	1.00	+0.01
Genentech	0.50	+0.01
Schering-Plough	0.25	+0.01
Amgen	0.10	+0.01
Genentech	0.05	+0.01
Schering-Plough	0.02	+0.01
Amgen	0.01	+0.01

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ASIA/PACIFIC

Malaysia Rules Out Rate Rise to Stem Growth

Compiled by Our Staff From Dispatches
KUALA LUMPUR — Prime Minister Mahathir bin Mohamad on Monday ruled out raising interest rates to rein in Malaysia's robust growth, but he indicated a possible increase in import duties to improve the trade balance.

"The worst thing to do is to try and stifle growth by increasing interest rates," Mr. Mahathir said at a national convention on the Seventh Malaysia Plan — a five-year blueprint to guide the country's socio-economic growth through 2000.

He said raising domestic interest rates would reduce spending, but new investments, even in the core area of manufacturing for export, would be reduced.

"Foreign money may flow in to take advantage of high interest," Mr. Mahathir said, indicating such inflows could fuel inflationary pressures and hurt efforts to sustain growth.

Since late last year Malaysia's domestic interest rates have been steadily rising, with the benchmark three-month interbank rate rising to 7.47 percent in early July from 6.1 percent in October.

The three-month rate was hovering at 7.37 percent Monday.

"It is far better to raise import duties if this can be done," Mr. Mahathir said, adding that such a move would be a "simple answer to reduce imports and increase exports" to improve its external balance.

Malaysia's current-account deficit in 1996 was projected by a private organization to rise to 19.2 billion ringgit (\$7.7 billion) from 17.8 billion last year.

The government has blamed the persistently high deficit on rising imports of bulky equipment to fuel growth.

Separately, Malaysia posted a trade surplus of 238.17 million ringgit in May, compared with a deficit of 254 million ringgit in April, according to the Bernama news agency, which cited an interim trade report released Monday by the Department of Statistics.

Exports in May totaled 16.99 billion ringgit, compared with imports of 16.75 billion ringgit.

The interim report contained unvalidated figures. Validated input in the "provisional report," will be available later this month.

(AFP, Knight-Ridder)

Bangkok Aims for Stability

A government-appointed Policy Committee for Economic Stability said Thailand needed to solve its current-account deficit problem to increase stability, Knight-Ridder reported from Bangkok.

To achieve this, the group proposed raising domestic savings, increasing exports, narrowing the spread between deposit and lending rates and maintaining fiscal discipline.

Natural Gas Has a Bright Future in Asia

By Michael Richardson
 International Herald Tribune

KUALA LUMPUR — The entry of China, India and other major new Asian buyers into the market for liquefied natural gas is expected to help demand for the product more than double in the next fifteen years as countries in the region seek a clean-burning fuel for power generation.

Analysts say that consumption in Japan, the world's largest importer of liquefied natural gas, or LNG, will also surge, although at a slower rate than for the rest of Asia.

Widespread concern in Japan about the risk of accidents from nuclear power may prompt utilities to increase the use of LNG as a fuel for generating electricity in preference to oil and coal, which emit sulfur and nitrogen pollution.

The issue of nuclear safety was highlighted Sunday in the first-ever referendum held in Japan, when

voters in the small farming town of Maki rejected a government plan to build a nuclear power plant.

Tsutomu Toichi, director of the Institute of Energy Economics in Tokyo, said Monday that despite government and industry efforts to promote a national consensus on nuclear power development, he was not optimistic it could be achieved. As a result, he said, Japan's long-term demand for LNG could be significantly larger than the level now projected by the government.

Mr. Toichi said that utilities using gas could account for more than 10 percent of Japan's total power generation by 2010, up from about 5 percent at present. Coal's share is around 59 percent, oil 15 percent, hydropower 14 percent and nuclear power 7 percent.

Three quarters of the world's LNG is sold to Japan, South Korea and Taiwan. The fuel comes mainly from Abu Dhabi, Alaska, Australia, Brunei, Indonesia, and Malaysia.

Indonesia, the largest exporter, sells more than 20 million metric tons of LNG a year, worth a total of about \$4 billion.

Jimmie Aung Khin, publisher of Hydrocarbon Asia magazine, said that as existing buyers increased their imports and new consumers such as China, India and Thailand entered the market, Asian demand for LNG would more than double to as much as 138 million tons a year by 2010. Imports totaled about 55 million tons in 1995.

He said that the gap between supply and demand would have to be filled from the Asia-Pacific region and the Middle East, where Oman, Qatar, and Yemen are due to start exporting large amounts of LNG over the next five years, mainly to Asia.

The Middle East accounts for a third of the world's proven gas reserves but only 6 percent of world production.

At present, 92 percent of East

Asia's LNG comes from within the region, with the balance from Alaska, Abu Dhabi and Australia.

Japanese utilities, who have signed long-term contracts to buy more LNG from Abu Dhabi and Qatar, are using the relatively low cost of gas production in the Middle East as a lever to try to gain price cuts from major Asian suppliers.

Noting that competition was becoming more intense, Hiroshi Kawasaki, executive vice president of Tokyo Electric Power Co., said that the cost of LNG from Asian suppliers was "the highest" and that a price cut would lead to an expansion of demand.

But Mr. Aung Khin of Hydrocarbon Asia magazine said that for security reasons, Japan and other Asian consumers would continue to prefer suppliers closer to home.

"Asia has been over-dependent on the Middle East for its oil supplies and will continue to be so for the foreseeable future," he said.

Blackout Spurs Calls for End to Malaysian Monopoly

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Shares of Tenaga Nasional Bhd., Malaysia's national power company, sank 4 percent Monday amid concern that it will lose its monopoly on power distribution after a 12-hour power failure hit peninsular Malaysia over the weekend.

Analysts said the blackout might also make it harder for the government to press ahead with a planned increase in electricity tariffs, which was scheduled for late 1996.

Peninsular Malaysia was without electricity for 12 hours starting Sunday afternoon because of a breakdown in a key power line. Some parts of

the country were without power for 16 hours.

Prime Minister Mahathir bin Mohamad described the failure as "shameful." Deputy Prime Minister Anwar Ibrahim called for the development of an alternative power distribution system.

Shares of Tenaga, which is about 70 percent owned by the government, fell 45 sen, to 9.75 ringgit (\$3.91).

The Federation of Malaysian Manufacturers called for the end of Tenaga's distribution monopoly. "It is time a parallel grid was set up and more involvement given to the various independent power producers," it said.

The blackout occurred just two days after Mr. Mahathir unveiled a \$20 billion plan to develop a high-technology multimedia "super corridor" on the outskirts of Kuala Lumpur to attract foreign companies to the area.

A blackout in 1992 quickened the pace of reform in the power industry, accelerating the development of the independent power producers. But Tenaga was allowed to keep its monopoly on electricity distribution.

"They intended to give Tenaga a second chance," said Kenny Yee of Nikko Securities Co. "Now, it's happened again. This will be the last straw."

(Bloomberg, Reuters)

China Launches Cargo Link to Central Asia

Compiled by Our Staff From Dispatches

BEIJING — China's "Silk Road" rail cargo link to Central Asia and Europe is finally in operation, with the first commercial transshipment now trundling its way to Uzbekistan, rail officials said Monday.

Seventy-five containers of U.S. aid for Uzbekistan left the port city of Tianjin Friday for the 14-day journey to northwestern China's Alatau pass, said Huang Kan, an official with the Tianjin Transportation Commission.

"This is the first time the line has been used for a commercial operation, and it is part of our plan to develop this

third rail route to Europe," Mr. Huang said.

The cargo — heavy machinery that is part of a U.S. aid package for Uzbekistan — will be followed by another 400 containers from the United States in the next five months.

"If this transshipment goes well, then maybe we will get the trust of other companies who will use this route," Mr. Huang said.

China already has two rail links to Europe, one traveling through Russia's Far East and the other cutting across Mongolia.

But the connection through Central

Asia is expected to take on more and more significance as the economies of the Muslim nations that once formed the Soviet Union develop larger trade ties with China.

Separately, a group led by Germany's Philipp Holzmann AG has protested to the Thai government after its bid for a proposed mass transit project in Bangkok was rejected.

The Holzmann group bid 3.1 billion baht (\$123 million) less than the second-lowest bidder, said Bob Kevorkian, managing director of Philipp Holzmann (Thai) Ltd.

(AFP, Bloomberg)

Philippine Phone Market Heating Up

Bloomberg Business News

MANILA — Philippine Long Distance Telephone Co. said Monday that increasing competition would trim its market share for international calls to as little as 60 percent in 2000 from the current 79 percent.

Vice President Jose de Jesus said the company's share of domestic long-dis-

tance calls also would fall to between 70 percent and 80 percent, from 93 percent.

New competitors will install 4.4 million new lines by the turn of the century as part of the government's program to deregulate the industry and provide more Filipinos access to phones. The state ended the company's monopoly in 1993.

Investor's Asia				
Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225
12500		2500		23000
12000		2400		22000
11500		2300		21000
11000		2200		20000
10500		2100		19000
10000		2000		18000
M A M J J A 1996		M A M J J A 1996		M A M J J A 1996
Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,071.40	10,962.00	+1.00
Singapore	Straits Times	2,146.72	2,136.49	+0.48
Sydney	All Ordinaries	2,233.70	2,208.60	+1.14
Tokyo	Nikkei 225	21,077.47	20,940.41	+0.65
Kuala Lumpur	Composite	1,106.29	1,096.17	+0.92
Bangkok	SET	1,137.44	1,104.83	+2.95
Seoul	Composite Index	824.30	824.08	+0.03
Taipei	Stock Market Index	6,083.66	6,106.87	-0.38
Manila	PSE	3,153.88	3,155.22	-0.04
Jakarta	Composite Index	562.83	560.96	+0.33
Wellington	NZSE-40	2,177.47	2,179.31	-0.08
Bombay	Sensitive Index	3,482.68	3,511.63	-0.82

Very briefly:

- Hong Kong's economy, hurt by a slump in exports, grew at an annual rate of 3.1 percent in the first quarter of 1996, its slowest pace in six years.
- Kerry Properties Ltd., the real-estate unit of Robert Kuok's Kerry Group rose 5 cents, to 17.55 Hong Kong dollars (\$2.27). Analysts said the company's size would probably allow it to join the Hang Seng index when it establishes the necessary three-year trading record.
- Malaysia recorded a trade surplus of 238.2 million ringgit (\$95.5 million) in May, defying predictions that a slowdown in the electronics sector would lead to a deficit.
- The Philippines posted an annual inflation rate of 9.8 percent for July, down from 9.8 percent in June.
- Kun Young Construction Corp. was saved from bankruptcy when its main creditor, Seoul Bank, lent it 2.07 billion won (\$2.5 million).

GOVERNO DO ESTADO
PARANÁ

SALTO CAXIAS HYDROELECTRIC POWER STATION

INTERNATIONAL COMPETITION C-303 525 KV STEP UP TRANSFORMERS DELIVERY DATE POSTPONEMENT

COMPANHIA PARANAENSE DE ENERGIA - COPEL informs that the delivery date of the Instructions to Bidders and the Contract Documents relating to International Competition C-303 was postponed to August 28, 1996, at 2:00 p.m., at COPEL's office meeting room, in Curitiba, at 233 Voluntários de Pátria Street, ground floor, in the State of Paraná, Brazil. All other provisions of the Instructions to Bidders remain unmodified.

COMPANHIA PARANAENSE DE ENERGIA

ADVERTISMENT

AMERICAN EXPRESS COMPANY (CDR)

The undersigned announces that as from 16 August 1996 one new CDR American Express Company, each rep. 5 shares, will be issued at par value of \$10.00 per share, plus a dividend of \$1.00 per share, for a total of \$11.00 per share. The new CDRs will be issued to the holders of the old CDRs in proportion to their holdings of old CDRs as of the record date of 15 August 1996. The new CDRs will be issued to the holders of the old CDRs in proportion to their holdings of old CDRs as of the record date of 15 August 1996. The new CDRs will be issued to the holders of the old CDRs in proportion to their holdings of old CDRs as of the record date of 15 August 1996.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, 2 August, 1996

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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

THE SHAREHOLDERS OF THE HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (REGISTRATION NUMBER 347/06/B/86/10)

ARE HEREBY INVITED TO AN EXTRAORDINARY GENERAL ASSEMBLY

Pursuant to the Law and the Company's Articles of Association and following Resolution no 2467 of the Board of Directors, taken on 30/7/1996, the Shareholders of the Hellenic Telecommunications Organization S.A. are hereby invited to an Extraordinary General Assembly, to be held on **Tuesday, 27/8/1996, at 10.00 hours**, at OTE Offices, 15, Stadiou Street (3rd floor) to discuss and debate upon the following:

- Election of seven (7) State Representatives and the respective deputy representatives to the Board of Directors of OTE.
- Authorisation for the conclusion of commission contracts between OTE and members of the Board of Directors of OTE.
- Miscellaneous.

In order to participate, in person or by proxy, in the said General Assembly Shareholders must, in conformance with the Law and the Company's Articles of Association, deposit their share certificates with any bank in Greece or abroad; the Consignations and Loans Fund; or OTE's Treasury (99, Kifissias Ave. Maroussi), at least five (5) calendar days before the appointed date for the General Assembly, namely **by 21/8/1996**. By the same deadline, Shareholders must also have deposited the Share Depository Receipts as well as the proxy forms with OTE's Share Registration Office, at 15, Stadiou Street, Athens.

By authorisation of the Board of Directors

D. Papoulas
 Chairman

Monday's 4 p.m.
The 1,000 most-traded National Market securities
-in terms of dollar value, updated twice a year.
The Associated Press.

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1900	1.00	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51	1.52	1.53	1.54	1.55	1.56	1.57	1.58	1.59	1.60	1.61	1.62	1.63	1.64	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75	1.76	1.77	1.78	1.79	1.80	1.81	1.82	1.83	1.84	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.93	1.94	1.95	1.96	1.97	1.98	1.99	2.00	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15	2.16	2.17	2.18	2.19	2.20	2.21	2.22	2.23	2.24	2.25	2.26	2.27	2.28	2.29	2.30	2.31	2.32	2.33	2.34	2.35	2.36	2.37	2.38	2.39	2.40	2.41	2.42	2.43	2.44	2.45	2.46	2.47	2.48	2.49	2.50	2.51	2.52	2.53	2.54	2.55	2.56	2.57	2.58	2.59	2.60	2.61	2.62	2.63	2.64	2.65	2.66	2.67	2.68	2.69	2.70	2.71	2.72	2.73	2.74	2.75	2.76	2.77	2.78	2.79	2.80	2.81	2.82	2.83	2.84	2.85	2.86	2.87	2.88	2.89	2.90	2.91	2.92	2.93	2.94	2.95	2.96	2.97	2.98	2.99	3.00	3.01	3.02	3.03	3

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Monday's 4 p.m. Close
(Continued)

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هكذا من الأصل

10-1

WORLD ROUNDUP



Things are looking up for Michael Chang after a victory.

Chang Wins in L.A.

TENNIS Michael Chang, the top seed, finally won in Los Angeles in his fourth try to the final. He beat Richard Krajicek of the Netherlands, 6-4, 6-3, in 72 minutes to claim the Infiiniti Open title. (Reuters)

Leonard's First Title

GOLF Justin Leonard won his first PGA Tour title Sunday with a 5-shot victory at the Buick Open in Grand Blanc, Michigan. Leonard began the day one stroke ahead of Bob Tway and shot a 4-under 68 for a 22-under-par 266 total. Chip Beck was second. (Reuters)

Wiz Win in Washington

SOCCER Digital Takawira and Mark Chung each scored twice Sunday as the Kansas City Wiz beat D.C. United, 4-2, in Major League Soccer in Washington. Raul Diaz Arce and Mario Gori scored for United.

In Pasadena, California, Marcelo Carrera, Todd Yeagley and Brian Maisonneuve scored on Columbus' final three shots in a shoot-out to give the Crew a 2-1 victory over the Los Angeles Galaxy. (AP)

Team Sold for £10 Million

SOCCER Chris Wright, a music and media entrepreneur, bought the English soccer club Queens Park Rangers for about £10 million (\$15.4 million) Monday. (Reuters)

Braves End Odyssey On a Winning Note

The Associated Press
Watching his teammates tie the score in the eighth inning on getaway day — after winning an 18-inning affair the day before — Chipper Jones had visions of Atlanta's exhausting 17-game road trip being prolonged even further.

"Oh, man, I was thinking about that," Jones said Sunday after the

BASEBALL ROUNDUP

Braves rallied with two runs in the ninth for a 6-4 victory over the Los Angeles Dodgers and finished their 20-day, 6,493-mile (1,040-kilometer) excursion.

Now that the Olympic flame has been extinguished in Atlanta, the Braves were glad to be going home.

By taking two of three in San Diego and Los Angeles, the Braves ended the trip with a 9-5 record.

Rockies 6, Cubs 1 Ellis Burks hit a pair of homers and Darren Holmes pitched out of a bases-loaded jam in the sixth as Colorado beat host Chicago.

Astros 7, Giants 6 In Houston, Mike Hampton won his fourth straight decision against San Francisco and Jeff Bagwell doubled twice to lead the Astros.

Pirates 6, Marlins 4 Ken Caminiti drove in two runs and host San Diego took advantage of nine walks by Florida pitchers, scoring three of the runners.

Rangers 9, White Sox 5 Mickey

Tettleton broke out of a slump with two homers and Bobby Witt allowed one run and nine hits in 7 1/3 innings as Texas beat visiting Chicago.

Yankees 5, Royals 3 In Kansas City, Andy Pettitte became the American League's first 16-game winner and struck out a career-high 11 for New York.

Athletics 4, Brewers 2 Dave Telgheder got his first AL victory, allowing one run and six hits in seven innings as Oakland beat visiting Milwaukee.

In games reported in some Monday editions:

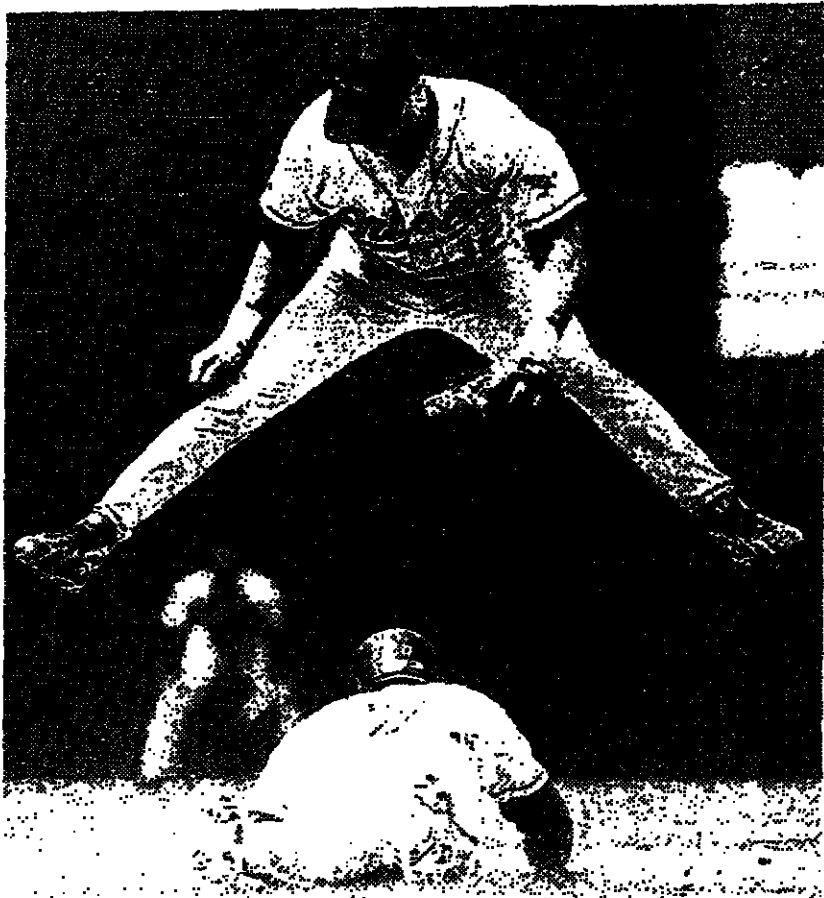
Blue Jays 7, Angels 1 In Toronto, Jim Abbott lost his 10th consecutive decision, allowing six runs and six hits in 5 1/3 innings as California lost for the sixth time in seven games.

Red Sox 13, Twins 6 Reggie Jefferson drove in four runs and Mo Vaughn homered twice for host Boston, which took a 9-0 lead against Minnesota.

Mariners 9, Tigers 3 Jay Buhner hit his 200th career homer, and visiting Seattle stopped Detroit's six-game winning streak.

Indians 14, Orioles 2 Cleveland scored 11 runs in the eighth against Baltimore, the Indians' biggest inning at home since 1977.

Expos 7, Reds 3 In Montreal, Shane Andrews continued to feast on Cincinnati pitching, hitting a two-run triple in the Expos' seven-run fourth inning.



The Indians' Kenny Lofton stealing second base as Roberto Alomar leaped.

Phillies 4, Pirates 2 Mike Williams allowed only two runs over eight innings against visiting Pittsburgh to secure the victory for Philadelphia.

Cardinals 4, Mets 2 Third baseman Alvaro Espinoza made a two-base error in a four-run sixth inning, allowing St. Louis to defeat host New York.

Bunning, Weaver Reach Hall of Fame

By Ira Berkow
New York Times Service

COOPERSTOWN, N.Y.

Jim Bunning, the right-winging right-leaning congressman, took time away from his Washington concerns Sunday to accept his induction into the U.S. Baseball Hall of Fame.

Earl Weaver took time away from the golf course to do the same.

Bunning, after a 224-184 won-lost record — winning 100 or more games in each major league — tried managing in the Philadelphia Phillies' organization, but the tough approach that served him so well as a pitcher was found unsuitable in handling the modern young player, and he gave up after three years. He eventually found his way to Con-

gress, becoming a conservative Republican from Kentucky's Fourth Congressional District.

Bunning had strong words for the baseball establishment. "Get your house in order," he said. "Stop going to the players and asking them to foot the bill. And get a commissioner — a real commissioner."

Weaver, whose battles with umpires were legendary and amusing, and who became one of baseball's most successful managers, was there alongside the congressman.

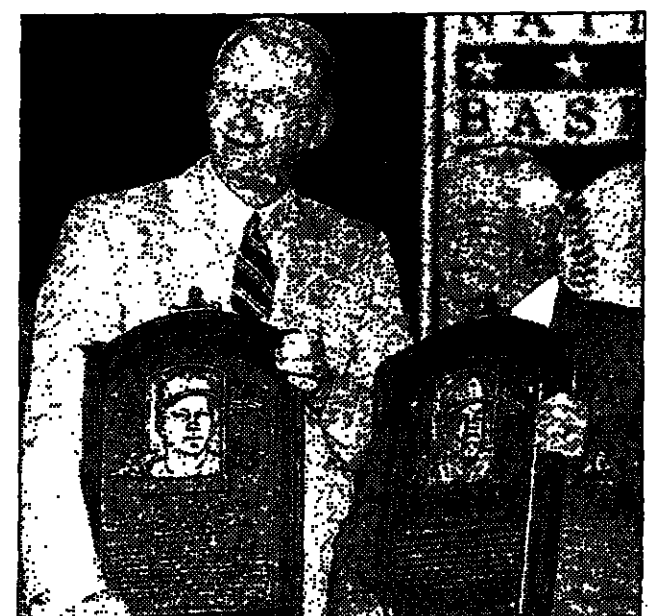
Bill Foster, a star pitcher in the Negro Leagues in the 1920s and '30s, and Ned Hanlon, a standout manager at the turn of the century, were also inducted.

Weaver toiled 10 years as a minor-league infielder, never

getting past Class AA. Then, after 10 more years as a minor-league manager, he got his chance with the Baltimore Orioles, winning four pennants and one World Series. He was known as a base to umpires.

"I want to give credit to the group of people who seldom get the credit they deserve," Weaver said in his speech. "The umpires." The crowd laughed, but Weaver seemed serious. "The game has succeeded because the umpires' integrity has been beyond reproach. And in the 13 years I managed the big leagues, they must have made a million calls. And they were wrong just 91 times."

The 91 times, that is, that he was tossed out of games. Now he was smiling.



Jim Bunning, left, and Earl Weaver holding their plaques.

Millionaires In NBA Are a Dime a Dozen

By Mark Asher
Washington Post Service

Shaquille O'Neal recently signed the largest contract in professional sports history when the Los Angeles Lakers guaranteed him \$120 million for seven years. But he won't even be the second-highest paid player in the National Basketball Association this season, according to salary data made available to The Washington Post.

O'Neal is scheduled to receive \$10.7 million this season, trailing both Michael Jordan of the Chicago Bulls (\$30 million) and Horace Grant of the Orlando Magic (\$12 million). Jordan signed a one-year contract after leading the Bulls to their fourth NBA title in six years. The NBA's salary cap for this season will be at least \$24.5 million, but teams can exceed the cap to re-sign their own players. Grant signed a five-year, \$50 million contract with Orlando.

Thirty players have been offered, or are scheduled to receive, at least \$5 million next season in base salary, signing bonuses and performance incentives.

O'Neal could be as low as the fifth-highest paid player next season, following the priciest free-agent market in league history. That ranking will depend on the payment structures of Alonzo Mourning's and Reggie Miller's respective contracts with the Miami Heat and Indiana Pacers.

Mourning has agreed in principle on a seven-year deal worth at least \$105 million. Miller has agreed in principle to a contract that is said to average \$8.5 million per season.

Juwan Howard's seven-year contract with the Heat, now in arbitration, has a first-year salary of \$9 million.

The San Antonio Spurs' center David Robinson (\$9.950 million), the Boston Celtics' forward Dino Radja (\$8.53 million) and the Washington Bullets' forward Chris Webber (\$8 million) are the only players among next season's 14 highest-paid players who neither signed as a free agent nor renegotiated their contracts this summer.

O'Neal's average salary of \$17.142 million is the highest of any player with a multiyear contract. He also retains the right to become a free agent after three seasons.

All-Stars playing under existing contracts and missing from the \$5 million club include the Utah Jazz's forward Karl Malone (\$4.657 million) and the Bulls' forward Scottie Pippen (\$2.25 million).

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

EAST DIVISION			
Team	W	L	Pct.
New York	65	44	.596
Baltimore	52	54	.489
Toronto	52	59	.468
Boston	50	60	.454
Detroit	36	73	.328

NATIONAL LEAGUE

EAST DIVISION			
Team	W	L	Pct.
Atlanta	61	42	.591
Montreal	61	49	.555
New York	53	59	.473
Florida	51	60	.459
Philadelphia	46	65	.414

CENTRAL DIVISION

Team	W	L	Pct.
St. Louis	59	52	.528
Chicago	53	54	.495
Chicago	53	57	.482
Pittsburgh	50	61	.450

WEST DIVISION

Team	W	L	Pct.
San Diego	60	53	.531
Los Angeles	54	58	.483
Colorado	37	54	.404
San Francisco	46	63	.422

AMERICAN LEAGUE

EAST DIVISION			
Team	W	L	Pct.
Minnesota	60	51	.541
Seattle	57	54	.511
San Francisco	50	60	.455
Los Angeles	46	63	.422

NATIONAL LEAGUE

EAST DIVISION			
Team	W	L	Pct.
St. Louis	60	54	.520
San Francisco	59	55	.514
San Diego	54	58	.483
Los Angeles	46	63	.422

AMERICAN LEAGUE

EAST DIVISION			
Team	W	L	Pct.
Minnesota	60	51	.541
Seattle	57	54	.511
San Francisco	50	60	.455
Los Angeles	46	63	.422

GOLF

BUICK OPEN

Player	Score
Justin Leonard	65-64-66-66=266
Chip Beck	69-66-70-67=272
Woody Austin	72-65-68-68=273
Jim Carter	69-67-71-69=276
Dave Stockton	69-68-68-71=276
Rick Fehr	69-67-70-71=277

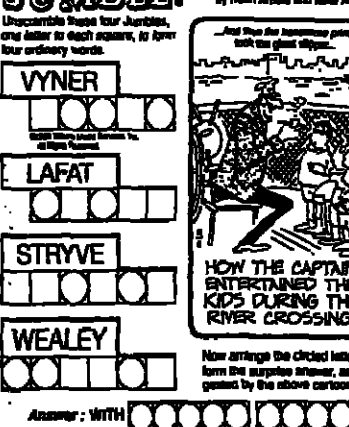
MAJOR LEAGUE SOCCER

Team	W	L	T
Kansas City	4	0	2
D.C. United	3	1	2
Columbus	2	2	2

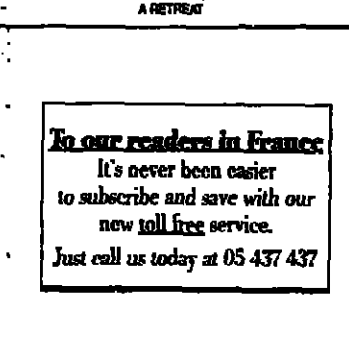
DENNIS THE MENACE



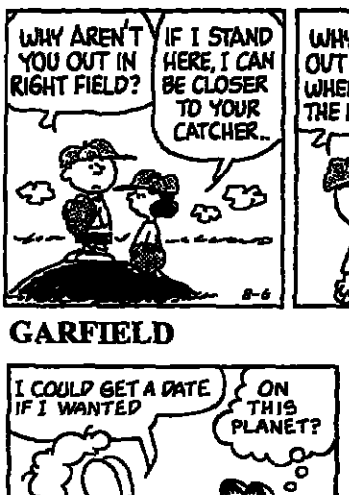
JUMBLE



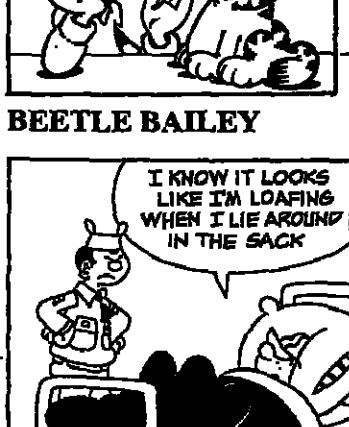
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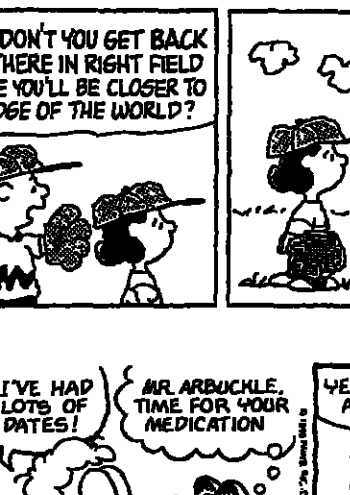
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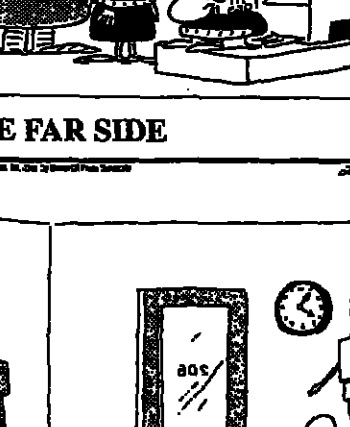
Garfield



Garfield



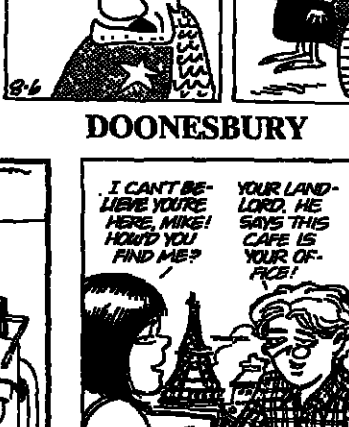
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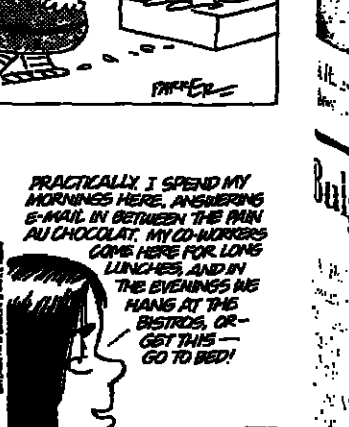
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TUESDAY, AUGUST 6, 1996

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As Cheers Fade Away, Atlanta Tallies Its Payoff

By Peter Applebome
New York Times Service

ATLANTA — It began as a real-estate lawyer's goofy pipe dream, turned into unlikely reality and for the last two weeks veered between triumph and nightmare, the inspirational and the tawdry.

But when the Olympics ended on Sunday with marathons racing through streets packed with cheering spectators, Centennial Olympic Park jammed and the main stadium filled with exultant participants for the extravaganza of the closing ceremonies, by almost any accounting, Billy Payne's folly had paid off.

Despite a fatal pipe bomb and rampant commercialization that drew protests from international Olympic officials and derision from many journalists, experts say spending for the Olympics and by visitors gave the area a \$4 billion to \$5 billion boost. The Games left Atlanta with new stadiums, downtown improvements and transportation projects, a higher — if not entirely flattering — international profile, and perhaps a new-found drive to address its urban ills.

Experts disagree about how big the payoff will be, especially given the lack of long-term gains produced by other Olympics. Others question whether Atlanta did enough to use the Games to help the poor in a city that is 67 percent black and one with the fifth highest poverty rate among the United States' large cities.

But few doubt the Games worked economically, providing a remarkable payment of interracial unity in a nation racked by racial division. Instead of the world-class headache a lot of people expected, there proved to be a giddy party that few people here will ever forget.

Some benefits of the Games, which were brought to Atlanta largely by the

efforts of the Olympic chairman, Payne, a suburban real-estate lawyer, and former Atlanta Mayor Andrew Young, are clear.

As a result of the Games, Atlanta ended up with the 21-acre (8.4 hectare) Centennial Olympic Park, the largest urban park built in America in 25 years. It is viewed as the centerpiece for the development of what had been an eyesore. The Olympic Village will become student housing for Georgia State University. The Olympic Stadium becomes the new home of the Atlanta Braves, guaranteeing they will stay downtown instead of leaving for the suburbs.

In all, eight permanent competition sites were built with private money by Olympic organizers and turned over without charge to local universities and public bodies. The Games spurred or accelerated \$2 billion in publicly financed transportation projects, including \$700 million in improvements to Hartsfield Atlanta International Airport. These construction projects and other spending helped Atlanta sail through the national recession with no downturn. And they led to new municipal art, improved streets and maintenance projects that radically improved the look of downtown.

Some say those improvements, rather than the immediate spending by visitors, were the real payoff of the Games.

"The Games allowed Atlanta to solve a lot of problems pretty inexpensively, without a lot of political bloodletting, in ways that lots of other cities are really having to confront now in a very serious fashion," said Thomas Cunningham, a senior economist at the Federal Reserve bank in Atlanta.

What the Games did for Atlanta's image is less clear. The European press in particular was merciless for the first week in depicting Atlanta's handling of the

Games as incompetent and its staging as like a flea market. The commercialization was so omnipresent that Olympic officials have vowed they will never again mount the Games as Atlanta did with virtually all money raised from private sources. But many economists and business experts say that what are likely to be far more lasting are the upbeat televised images and the sense of Atlanta's arrival as a major city.

"I think three months out all that will remain will be a very positive statement about Atlanta and the South as an area on the upswing, which is why you see so much international business here already," said Helmut Panke, chairman of the U.S. arm of BMW, the German car maker, which built its new American factory in Greer, South Carolina.

The short-term gains, though, may also be mixed. After a slow first week outside the downtown area, many major restaurants and malls reported strong business during the Games' second week, and over the last weekend malls were full of athletes, coaches and dignitaries from around the world taking part in Atlanta's usual favorite sport — shopping.

On the other hand, hundreds of small vendors, particularly those relegated to side streets outside the main crush downtown, suffered substantial losses. Businesses in areas like Auburn Avenue, the historic heart of Atlanta's black community, found that the gains they had anticipated were nonexistent.

Similarly, the Olympics fell far short of the most rosy expectations of new housing for the poor and other neighborhood improvements that some expected in 1990, when Atlanta won its bid to hold the Games. But even most of the harshest critics said that they had done some good for neighborhoods, that

blacks as well as whites had shared in the prosperity and that the Games left behind a warm glow with the potential to continue the Olympic development.

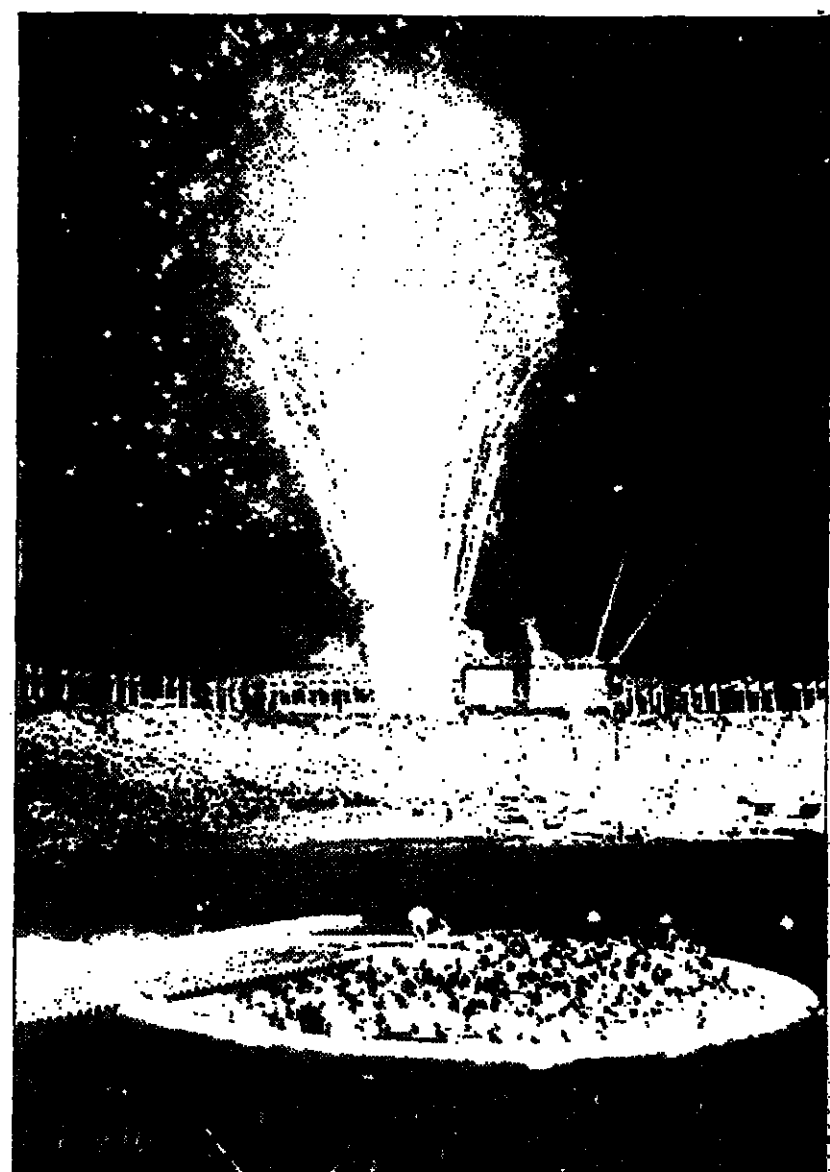
"The question is whether we can continue to use the energy churned up by the Olympics for economic and community development," said Johnnetta Cole, president of historically black Spelman College here. "We must, and we can."

Atlanta's urban ills were lost in the hoopla of the Games, but they did not go away. The police reported 23 homicides since the Games began on July 19, or nearly three every two days, in a city that averages about one homicide every two days, or 160 to 180 a year. Some experts warn that there are risks as well as rewards in raising expectations.

"Los Angeles put on a successful Olympics, and 10 years later they had their terrible riots," said Arthur Naparsnek, a senior associate at the Urban Institute in Washington. "I'm not saying there is a cause and effect there, but when you create expectations and those expectations are not met, you can create bitter disappointment."

One thing is beyond any doubt. People in Atlanta loved the Games as spectacle, as street party and as a civic manifesto. The city takes seriously its civil rights legacy and its sense of being at the heart of a renaissance South. The civic drama that went on, from the multiracial nature of Atlanta's Games to the emotional reopening of Centennial Olympic Park after the bombing, spoke to many of the best parts of Atlanta's character.

"The Games exceeded my expectations on every level," said Mayor Bill Campbell. "The crowds were larger, the athletes performed better, our city responded to tragedy in a way that was perhaps the most emotional point of the Games."



The Atlanta Games ending in a burst of fireworks at Olympic Stadium.

The Games Will Be Simpler in Sydney

Australian Officials Have Learned From Atlanta's Grandiose Ambition

By Randy Harvey
Los Angeles Times

ATLANTA — When Atlanta organizing-committee officials returned home from the 1992 Summer Olympics, they felt a sense of foreboding, fearing that they would not be able to duplicate Barcelona's success. It is doubtful that organizers of the 2000 Summer Games are as anxious as they returned home Monday to Sydney.

It's not only that Atlanta did not set as high a standard as Barcelona. It is also that Sydney has never aimed as high as Atlanta.

Billy Payne, president of the Atlanta Committee for the Olympic Games, has often said that his goal was to stage "the biggest peacetime event in history and the best Olympic Games ever." The Sydney Organizing Committee for the Olympic Games would be satisfied with the latter. Smaller, Sydney Games officials say, is better.

Atlanta's Games were the largest ever with close to 11,000 athletes, 11 million tickets and 2 million visitors to the city. Sydney officials estimate that they will have no more than 10,000

athletes, 6.5 million tickets and 245,000 visitors as they try to reduce the Summer Olympics to a manageable size for their Sept. 15-Oct. 1 Games.

For that reason alone, they should have a more manageable bottom line. But they also have more financial security than Atlanta organizers because Sydney's committee is working in conjunction with the state government of New South Wales in a model of public and private partnership preferred by the International Olympic Committee.

Except for about \$225 million provided by the federal government to cover some security, transportation and housing costs, Atlanta's Olympics were a private enterprise. The Atlanta committee's budget was \$1.7 billion, including \$550,000 for construction. The budget for Sydney's organizing committee is \$1.6 billion, but none of that will be spent for construction. The state government has allocated \$1.2 billion for that.

"We like to say that the government is building the theater, and we're just putting on the show," the Sydney committee's spokesman, Richard Palfreyman, said. More than 100 Sydney Olympic representatives came to At-

lanta to learn first-hand about the operation of the Games.

Palfreyman said they were impressed with the organization of the competitions but will create a more appealing ambience, uncluttered by corporate logos, vending tents and Ferris wheels that gave downtown Atlanta a carnival look.

Unlike Atlanta, the heart of the Games will not be downtown but in a suburb about eight miles west of the center known as Homebush Bay. Formerly the site of a slaughterhouse and a dumping ground for industrial waste, it has been converted into Olympic Park. Thirteen venues will be built there, including a 115,000-seat main stadium. Most other venues will be at Sydney Harbor.

Prominent on the courses of the marathon and triathlon are the Harbor Bridge and Sydney Opera House, landmarks that organizers want 3.5 billion viewers throughout the world to become familiar with before the closing ceremonies.

Richard Pound, an IOC vice-president from Canada, said all host cities in the future will be required to operate in concert with city, regional or federal governments because of the experience in Atlanta.



Frank Sartor, the mayor of Sydney, carrying the Olympic flag.

GAMES: Atlanta Deserves a Silver Medal

Continued from Page 1

was also the IOC's responsibility to oversee that fulfillment. The IOC indicated that in future it will demand more government backing than was received by Atlanta's private organizers — demanding investment from the host country in return for the global stature of inviting the world to an Olympics.

The Atlantans themselves never seemed quite sure what to make of it all. Wasn't everybody having a good time? And it was true, hundreds of thousands did. Then what were all of the complaints about? They had never had cause to think about their city as a foreigner would see it. The next generation in charge might bring quite a few changes to Atlanta as a result of this experience.

"They should take the critics out to the shooting venue and get rid of them," said Atlanta's mayor, Bill Campbell. That statement revealed more about the parochial weakness of the Atlanta leadership than any of the transportation or computer problems.

Foreign visitors realized immediately that Atlanta had no experience as a tourist destination. It was far too difficult to find one's way from place to place.

Everyone had horror stories to tell about the buses or trains; the difficulties that hurt the athletes were inexcusable. Atlanta took the hit for a lot of trends that are reflected throughout the United States. The Olympics were like a backstage tour of America, laid open for the rest of the world to see.

For those who wondered how American entertainment had grown to be so dominant worldwide, the mechanics were spelled out by the host Olympic broadcaster. Here was firsthand proof that NBC was not in the business of edification or international balance, as are the state-run networks of other countries. NBC was in the business of making money and the best way to make lots of it was by telling the public what it wanted to hear — which was, apparently, that America really was the greatest country in the world, over and over again.

For those who wondered about American capitalism, here it was, naked and true. There was desperation in the voices of vendors who had paid a lot to rent a section of the sidewalk in the middle of a dozen other vendors, and a more soph-

isticated kind of desperation in the commercial tents posing as amusements and attractions.

Commercial America devoured these Olympics, leaving no quiet space for people to talk and listen to each other. Atlantans might be the kindest hosts in the world, but they were completely overwhelmed by the commercial images and blare of advertising.

Many in Atlanta seemed to think that the world arriving at its front door was like the American Dream come true — that it wasn't enough just to be hosting the Olympics. Atlanta also seemed to think that the world was a rich place. Funny, the world has always thought that America was the rich place.

The runaway criticisms of Atlanta were put in the saddest perspective by the July 27 bombing at Centennial Olympic Park that resulted in two deaths and 111 injuries.

Athletically, the Games were marvelous, with world records in the key venues of swimming and track and field, a memorable performance in gymnastics to give the Americans their successor to Mary Lou Retton — wouldn't it want to go through an Olympics without that — and sensational achievements at most other venues. Atlanta managed more tickets than the Los Angeles and Barcelona Olympics combined, and more athletes than any Olympics ever. At night the crass Olympic park became something of a universal nightclub.

Then, just as the city seemed to be hitting stride with the Olympics, came the closing ceremony.

"Well done, Atlanta," began Juan Antonio Samaranch, president of the International Olympic Committee, in his closing remarks Sunday night from the stage of the Olympic Stadium.

Samaranch asked for a moment of silence in honor of the victims of the bombing, as well as for the 11 Israeli athletes and coaches murdered by terrorists at the 1972 Games at Munich. After a time the silence was broken by the brilliant voice of Stevie Wonder.

When the song was over, Samaranch declared: "The Games of unity have indeed been most exceptional games."

He stopped short, however, from calling these Olympics the greatest ever, as he has done by rote for other host cities. This was the condemnation of a diplomat, and amid the universal goodwill some boos could be heard from those able to hear between the lines.

A Hand, Please, for Croatia's First Gold Medal

By Christopher Clarey
New York Times Service



Erik Hajas of Sweden, right, trying to shoot as Irfan Smajlagic blocks.

ATLANTA — Who are the biggest heroes in the brief Olympic history of Croatia?

Goran Ivanisevic? Iva Majoli? Toni Kuko? Dino Radja?

Try again, and if you do, forget tennis, basketball, soccer or any other sport that Americans follow and understand.

The Croats, who won their nation's first and only gold medal, play team handball, that fast-paced hybrid sport that elicits major enthusiasm in Europe and major indifference in most of North America.

The Croatian men won that gold Sunday with a thrill-a-minute 27-26 victory over Sweden. They did it in the Georgia Dome before a crowd of 35,000 that was the largest in their sport's history. And when the clock finally wound down to zero, they celebrated by forming a line, dropping to their knees and giddily shuffling across the court.

When the Croats were done with

that, they stood up and dived on their stomachs. Finally, they began to sing. They sang folk songs, and in a reminder of what their small, new nation has endured in the 1990s, they also sang a war song, "Zovi, Seme Zovi," which means, "Call us, just call us."

"The war is over, but we still had extra motivation to play and reach this goal for our country," said Croatia's coach, Velimir Klijatic.

Klijatic took over this experienced team after it finished a disappointing fifth in this year's European championships. He kept it together and training hard for nearly three months. In fact, there was so much togetherness that the Croats were snapping at each other on the eve of this tournament. But after rallying from a five-goal second-half deficit to beat Switzerland, 23-22, in their opening game, they bonded again.

"This is a good team with excellent individual players, and my role was to put all these little bits and pieces together into a mosaic," said Klijatic, who spent much of the last decade coaching

in the world's best team handball league, the German Bundesliga.

In the Bundesliga, clubs have annual budgets approaching \$2 million, and top players — often imported stars — earn six-figure salaries. But an excellent domestic league does not guarantee victory: the Italians, after all, have not won soccer's World Cup since 1982. And while the Germans finished off seventh here, the Croats added further luster to their region's handball tradition.

Before the former Yugoslavia split apart, it was an established handball power, winning the men's Olympic gold medal in 1972 and 1984 and the bronze in 1988.

Five members of this Croatian team were on the 1988 squad, including Goran Perkovic and Irfan Smajlagic, who each scored six goals Sunday. Four others competed at one time or another for the Yugoslavian national team.

"This is the crowning achievement of this generation of players," said Perkovic. "Most likely, this won't happen again for the players on this team."

German Wins Show Jumping

By Robin Finn
New York Times Service

CONYERS, Georgia — The fellow they call the Deutscher Meister back in Germany, where bold flights aboard his stallion, Jus de Pommes, earned him a national championship this year, became an Olympic master when he captured the prestigious individual gold medal for show jumping.

Ulrich Kirchhoff, 28, a professional rider who leaped aboard his first pony when he was 8 and soon graduated to bigger horses and bigger jumps, piloted Jus de Pommes to the only two clear rounds of the two-session final test Sunday on a sweltering day at the Georgia International Horse Park.

Kirchhoff won his gold by acclamation, but a seven-horse timed jump-off over an abbreviated seven-fence course was needed to determine the ownership of the silver and bronze medals. With Kirchhoff off in the wings unwinding with a cup of coffee, Switzerland's two-time Olympian, Willi Melliger, earned the silver medal atop Calvaro, and Alexandra Ledermann of France took the bronze with Rocket M.

Sunday's coup brought Kirchhoff his

second gold medal at his first Olympics. The four-man German team, which included Kirchhoff's mentor, Franke Sloothaak, and Ludger Beerbaum, the defending individual gold medalist from the Barcelona Games, dominated show jumping's team competition Thursday.

But the German squad suffered a mini-crisis heading into Sunday's competition when both of its veterans confirmed that they would be unable to ride: Sloothaak was sidelined by a gash in his arm suffered in a fall during the team event, and Beerbaum's mare, Ratina, mysteriously pulled up lame with a ligament strain in her left hind leg. If Kirchhoff, who began his apprenticeship with Sloothaak as a groom, felt any enhanced performance pressure, he didn't show it.

"I rode for a clean round," said the unflappable German, who had entered the second session with no jumping faults from the morning test, one of 10 riders from a field of 25 to do so. Only Kirchhoff, whose calm manner helped his 10-year-old mount remain anxiety-free in the face of the 13 jumping efforts this sprawling course required, outwitted all the obstacles the second time around.

Bulgarian Jumper and Russian Hurdler Test Positive for Steroids

OLYMPIC ROUNDUP

A Bulgarian triple jumper and a Russian hurdler became the first athletes caught using steroids at the Atlanta Games.

The International Olympic Committee said Monday that Iva Prandzheva and Nataliya Shekodonova tested positive for the banned performance-enhancing drugs.

The announcement came on the same day the IOC lifted the expulsions of the five athletes and two team officials involved in the use of the controversial drug bromantan.

An arbitration panel ruled Sunday there was no scientific proof that bromantan is a stimulant.

Prandzheva, fourth-place finisher in the women's triple jump, tested positive for metandienone. Shekodonova tested positive for stanozolol — the same steroid that got the Canadian sprinter Ben Johnson ejected from the 1988 Seoul Olympics. Her seventh-

place finish in the women's 100-meter hurdles will be thrown out.

Both athletes face four-year bans under the rules of track and field's world governing body, the International Amateur Athletic Federation. (AP)

Afghan Boxer Flees

The athlete who carried Afghanistan's flag in the Olympics' opening ceremony has fled to Canada and asked for political asylum.

The light-middleweight boxer Jawid Aman Mukhamad, 24, left Atlanta with his coach of eight years, Ahmad Samim, last week and arrived Friday in Buffalo, New York, at a facility that helps refugees wishing to enter Canada to seek political asylum.

Mukhamad told the Buffalo News

that just hours after the opening ceremony Afghan officials barred him from competing because they believed he and his coach were Communists.

Mukhamad and Samim said their frequent trips to Russia for training prompted the allegation. They said they are not Communists.

"I wanted to have the competition," Mukhamad told the newspaper through an interpreter. "I was preparing for a long time. I was so disappointed, so upset."

Honayen Faravata, the chief of the Afghan delegation at the athletes' village in Atlanta, said Sunday he thought Mukhamad was in Washington with relatives and had called a few days ago. His return flight to Afghanistan had been confirmed. (AP)

U.S. TV Ratings Dip

TELEVISION Olympic ratings for NBC, the U.S. broadcaster, took a considerable late dip Friday night's prime-time segment averaged an 18.6 rating with a 35 percent audience share. Saturday night drew an 18.4/26. Those were the lowest ratings of the Games, which before Friday averaged 22.4.

Maybe viewers simply ran out of gas. Or maybe they grew tired of not knowing when NBC would show what. NBC rarely spelled out its schedule. For the most part, viewers had to turn on their television and just wing it.

However, NBC made a profit on the Games. It paid \$456 million for the rights, and even before the games began, revenues reached \$675 million. NBC Research estimates that more than 200 million Americans watched at least part of the Olympics, making them the most-watched Games ever. (AP, LAT)



FINAL COUNTRY STATE

United States	6	5
Russia	44	32
Germany	26	21
Japan	16	10
France	15	7
Italy	13	10
Australia	9	8
Ukraine	9	2
South Korea	7	5
Hungary	7	4
Spain	5	6
China	4	3
Netherlands	4	5
Greece	4	3
Sweden	4	3
Switzerland	4	3
Denmark	4	3
Turkey	3	1
Canada	3	11
Bulgaria	3	7
Japan	3	7
Kazakhstan	3	2
Brunei	3	2
New Zealand	3	2
South Africa	3	1
Ireland	3	0
Sweden	2	2
Belgium	2	2
Mexico	2	1
North Korea	2	1
Algeria	2	0
El Salvador	2	0
United Arab Emirates	2	0
Belarus	1	4
Pakistan	1	4
Indonesia	1	2
Yugoslavia	1	1
Slovenia	1	1
Thailand	1	1
Azerbaijan	1	0
Portugal	1	0
Russia	1	0
Costa Rica	1	0
Ecuador	1	0
North Korea	1	0
Spain	1	0
Argentina	0	2
Algeria	0	2
Slovenia	0	1
Austria	0	1
Malaysia	0	1
Madagascar	0	1
Uzbekistan	0	1
Azerbaijan	0	1
Tajikistan	0	1
Lebanon	0	1
Philippines	0	1
Tanzania	0	1
Zambia	0	1
Bolivia	0	1
Georgia	0	1
Morocco	0	1
Turkmenistan	0	1
Ukraine	0	1
Ukraine	0	1
Mexico	0	1
Peru	0	1
Puerto Rico	0	1
Turkmenistan	0	1
Ukraine	0	1
Ukraine	0	1

OLYMPIC MEDALISTS

ARCHERY
GOLD—Justin Hahn, U.S.
SILVER—Mehmet Pinar, Sweden
BRONZE—Oth Kyo-moon, South Korea
MEN'S TEAM
GOLD—U.S., Justin Hahn, Richard Johnson and Rod Whitby
SILVER—South Korea (Oh Kyo-kwon, Kim Jo-ung, Jung Yang-ho)
BRONZE—France, Christian Charrier, Michel Frangilly, Andreas Paronitz
WOMEN'S INDIVIDUAL
GOLD—Kim Kyung-sook, South Korea
SILVER—France, Chantal Brelot
BRONZE—Olga Sadovnichaya, Ukraine
WOMEN'S TEAM
GOLD—South Korea, Kim Kyung-sook, Yoon Hye-young, Kim Kyung-wook
SILVER—Germany (Barbara Mendel, Cornelia Pils, Sandra Wöckel)
BRONZE—France, Chantal Brelot, Kataryna Kozak, Joanna Nowicka
JUNILIATHS
MEN'S 100 M
GOLD—Danyel Breda, Namibia
SILVER—Frank Fredericks, Namibia
BRONZE—Ato Boldon, Trinidad
MEN'S 400 M
GOLD—Michael Johnson, U.S.
SILVER—Frank Fredericks, Namibia
BRONZE—Ato Boldon, Trinidad
MEN'S 800 M
GOLD—Michael Johnson, U.S.
SILVER—Roger Black, Britain
BRONZE—Davis Kamundi, Uganda
MEN'S 1,600 M
GOLD—Vebjørn Rodal, Norway
SILVER—Heinzpaul Sehm, Austria
BRONZE—Fred Ogunyinka, Kenya
MEN'S 5,000 M
GOLD—Noureddine Morcello, Algeria
SILVER—Paul Tiek, Kenya
BRONZE—Stephen Kibor, Kenya
MEN'S 10,000 M
GOLD—Vesna Vuyobona, Botswana
SILVER—Paul Tiek, Kenya
BRONZE—Khalid Boulami, Morocco
MEN'S 15,000 M
GOLD—Halle Gebreaberg, Ethiopia
SILVER—Paul Tieg, Kenya
BRONZE—Salah Hissane, Morocco
MEN'S 20,000 M
GOLD—Halle Gebreaberg, Ethiopia
SILVER—Aren Johnson, U.S.
SILVER—Mark Creer, U.S.
BRONZE—Florian Schwaiblmair, Germany
MEN'S 400 M & 800 M
GOLD—Derrick Adkins, U.S.
SILVER—Samuel Matete, Zambie
BRONZE—Colin Deeks, U.S.
MEN'S 3,000 M STEEPLECHASE
GOLD—Joseph Keity, Kenya
SILVER—Klaus Kluge, Germany
BRONZE—Alessandro Lanzone, Italy
MEN'S 200M WALK
GOLD—Jefferson Pantoja, Peru
SILVER—Ilye Martov, Russia
BRONZE—Bernardo Soguna, Mexico
MEN'S 500M WALK
GOLD—Robert Korzeniowski, Poland
SILVER—Michael Schenborn, Russia
BRONZE—Alejandro Hernandez, Spain
MEN'S 400 M RELAY
GOLD—Canada (D-Damion Bivens, Robert Ebert, Robert Ebert, Jr., H-Jason Roberts)
SILVER—U.S. (D-Tim Harden, H-Jon Drua, H-Jason Roberts, H-Dennis Mitchell)
BRONZE—Great Britain (H-Dennis Mitchell, T-Tim Montgomery)
BRONZE—Great Britain (H-Dennis Mitchell, N-Nesta Stiva, H-Edison Ribeiro, H-Robert Ebert, Jr.)
MEN'S 1,600 M RELAY
GOLD—U.S. (D-Lawrence Smith, A-Michael McKinnon, H-M-Doug Richardson, H-Jason Roberts)
SILVER—Britain (H-Iwan Thomas, H-Fraser Brown, H-Dennis Mitchell, H-Jason Roberts)
BRONZE—Japan (H-Michael McKinnon, H-M-Doug Richardson, H-Jason Roberts)
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BRONZE—Ato Boldon, Trinidad
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BRONZE—Great Britain (H-Dennis Mitchell, N-Nesta Stiva, H-Edison Ribeiro, H-Robert Ebert, Jr.)
MEN'S 1,600 M RELAY
GOLD—U.S. (D-Lawrence Smith, A-Michael McKinnon, H-M-Doug Richardson, H-Jason Roberts)
SILVER—Britain (H-Iwan Thomas, H-Fraser Brown, H-Dennis Mitchell, H-Jason Roberts)
BRONZE—Japan (H-Michael McKinnon, H-M-Doug Richardson, H-Jason Roberts)
MEN'S 400 M & 800 M
GOLD—Derrick Adkins, U.S.
SILVER—Frank Fredericks, Namibia
BRONZE—Ato Boldon, Trinidad
MEN'S 1,600 M
GOLD—Vebjørn Rodal, Norway
SILVER—Heinzpaul Sehm, Austria
BRONZE—Fred Ogunyinka, Kenya
MEN'S 5,000 M
GOLD—Noureddine Morcello, Algeria
SILVER—Paul Tiek, Kenya
BRONZE—Stephen Kibor, Kenya
MEN'S 10,000 M
GOLD—Vesna Vuyobona, Botswana
SILVER—Paul Tiek, Kenya
BRONZE—Khalid Boulami, Morocco
MEN'S 15,000 M
GOLD—Halle Gebreaberg, Ethiopia
SILVER—Paul Tieg, Kenya
BRONZE—Salah Hissane, Morocco
MEN'S 20,000 M
GOLD—Halle Gebreaberg, Ethiopia
SILVER—Aren Johnson, U.S.
SILVER—Mark Creer, U.S.
BRONZE—Florian Schwaiblmair, Germany
MEN'S 400 M & 800 M
GOLD—Derrick Adkins, U.S.
SILVER—Samuel Matete, Zambie
BRONZE—Colin Deeks, U.S.
MEN'S 3,000 M STEEPLECHASE
GOLD—Joseph Keity, Kenya
SILVER—Klaus Kluge, Germany
BRONZE—Alessandro Lanzone, Italy
MEN'S 200M WALK
GOLD—Jefferson Pantoja, Peru
SILVER—Ilye Martov, Russia
BRONZE—Bernardo Soguna, Mexico
MEN'S 500M WALK
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MEN'S 400 M & 800 M

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ATLANTA

OLYMPICS

Last Gold of Games Goes to U.S. Women

By J.A. Adande
Washington Post Service

ATLANTA — There was one piece of unfinished business that needed to be taken care of before the Centennial Olympics came to a close, an incomplete sentence that needed its final words and a punctuation mark.

American women's teams had won gold medals in softball, soccer and gymnastics. But no women's team had entered with as much hype as the basketball squad, no team had faced the demands of carrying the banner for its entire sport and welcomed the challenge so openly.

Gold medals were expected but never assured, and in Sunday night's gold-medal match the team faced its most dangerous opponent, Brazil, a squad that beat the United States in the 1994 World Championships.

The Americans responded with an overpowering performance, making 66 percent of their shots and crushing Brazil, 111-87, in the last competition of the Olympics.

"I told our team all along that there are no excuses," Coach Tara VanDerveer said. "We either get it done or we don't. So let's get it done."

"What I have felt all year and said to our team was the biggest game would bring out the best," VanDerveer said. "And I think that that happened."

There were some echoes of the other American women's successes. The women's soccer team took the floor for a salute before the game. In their giddy celebration afterward, basketball teammates Dawn Staley, Jennifer Azzi and Teresa Edwards did cartwheels on the court; though they didn't match the gold-medal style of the U.S. gymnasts, they captured the spirit.

But the 32,997 fans came for women's basketball. It was a fast-breaking

affair that set the record for the most points in a gold-medal game. Center Lisa Leslie worked her way inside to score 29 points on 12-of-14 shooting.

"This is the best moment of my life," said Leslie. "We're leaving Atlanta as gold medalists."

Ruthie Bolton made fast-break lay-ups and long 3-pointers to score 15 points. With the Americans holding a commanding lead in the second half, Staley was free to perform her crowd-pleasing behind-the-head and no-look passes.

"I think we came out with something to prove," she said. "And we did it." Edwards became the first American basketball player to win three gold medals. Bolton has only one, but she gave it to her sister, Mac Oia, who tried out for the 1988 Olympics but was cut from the team that eventually finished first in Seoul.

The first half was played at a breath-taking pace. Sheryl Swoopes hit a jumper with five seconds left in the half that put the Americans up by 11. Swoopes wasn't even supposed to be in the game. She had picked up her second foul in the first two minutes, and VanDerveer's rules dictate that anyone with two fouls sits the rest of the half. Swoopes dutifully headed to the bench, only to be told by VanDerveer that she would return.

"I was kind of shocked," Swoopes said. "I said, 'I am?' She said, 'Yeah, you're going to go back in. This is the last game. We have nothing to lose.'"

"I just felt we needed it," VanDerveer explained.

Swoopes came back in with 9 minutes 16 seconds remaining in the half and knocked down a pair of 3-pointers. And she had one of two U.S. steals at the start of the second half, when the Americans put the game away with smothering defense and an 8-0 run to extend the lead to 17.



Nikki McCray of the U.S., right, battling with Maria Angelica of Brazil.

The Dream Is Fading For Basketball All-Stars

By Malcolm Moran
New York Times Service

ATLANTA — The millionaires bowed their heads to accept their gold medals, and suddenly, for just a moment, they weren't millionaires anymore. They were high school kids, city champs for the first time. They were young campers accepting their first trophies.

The members of the Dream Team studied their bouquets of laurel and olive wreaths, sunflowers and magnolias, tiger lilies and larkspur, and smiled. "They're beautiful," one of their voices said.

Throughout their 34 days together, this collection of National Basketball Association All-Stars had said more with their eyes than with their words or performance. The eyes revealed disinterest, even boredom. They flashed with irritation when opponents who had treated the 1992 team as celebrities were suddenly competitive for a half.

Then, for a few memorable minutes in the second half of the championship game on Saturday night, there was urgency. Yugoslavia, playing with a well-conceived plan and fearless precision, remained within a point of the United States with 14 minutes to play.

The smiles and hugs during the expected dunkathon in the final minutes did not conceal the reality. The clock is ticking on the final stage of American basketball dominance.

Four years ago, when Magic Johnson, Larry Bird and Michael Jordan ended their brief time together in Barcelona, they left with the feeling that their once-in-a-lifetime experience had restored the control of the game that the amateurs had lost in Seoul in 1988.

But as the NBA has masterfully exported its product by satellite, as American coaches on all levels have spread their expertise through overseas tours and clinics, the gap has continued to close. Within the past four years it has narrowed enough that when this all-star team broke up Saturday night, the conversation had as much to do with the future as the present. "It's obvious that the next Dream Team that comes out will have to be well selected, and is going to have to be a good basketball team," Scottie Pippen said.

The newness has worn off for the other teams and maybe, to a degree, for us, too," John Stockton said. "The fact that the Dream Team is there just doesn't magically charge everybody into playing poorly against us or being awestruck. It also doesn't necessarily charge us into playing our best."

The state of international basketball

could be captured in one image last week — the sight of the Australian guard Shane Heal, 6 feet 11.8 meters) tall and 194 pounds (88 kilograms), planting himself in the lane against Karl Malone, 9 inches and 62 pounds larger, in a successful if dangerous effort to draw an offensive foul. Argentina was within 2 points at the half. Lithuania, its best players injured or resting, was tied with the United States late in the first half.

What American opponents lacked in depth or athleticism, they made up in an understanding and acceptance of roles and the cohesion that can only come with time.

The first Dream Team was able to establish a rotation because of injuries to Bird and John Stockton, plus the presence of Christian Laettner three months after his last college season. Before the NBA became involved in 1989, the models for a national team that were discussed included having as many as four college players on a 12-man roster. Laettner was the only non-NBA player on the first two Olympic teams. This time there were too many stars occupying too many unfamiliar roles, and an absence of true role players. Two Olympic tournaments from now, playing on the road in a single-elimination medal round, that factor could become decisive in an American loss.

The elite products of the American basketball system are surrounding themselves with entourages before they even get to college — if they get to college. Adolescents with celebrity mind-sets are less likely to willingly sacrifice their numbers for the greater good, and that's before draft day arrives.

History has established a timetable. The supremacy achieved at Rome in 1960, with the team of Oscar Robertson and Jerry West, was gone by Munich, 12 years later. With the Dream Team mystique gone, the process of catching up has been reduced to extending effective five-player units into eight or more, a job that someone will complete by 2004.

"It took a long time for us to catch up to the college level, and we finally did that," said Andrew Gaze of Australia, whose game was developed at Seton Hall. "Now we're on a path to be on equal footing with the very best in the world. I doubt it will happen in my lifetime, but it definitely will happen."

It will happen sooner than Gaze thinks. If Drazen Petrovic had not lost his life in an automobile accident and if Yugoslavia and Croatia had not become shattered by war, the clock might have stopped ticking Saturday night.

Reid Lands Punch That Came All the Way From Zaire

New York Times Service

ATLANTA — When it was over, boxing people were joked about where David Reid's overhand right had come from. Trailing 16-6, 35 seconds into the third round, Reid connected for his sudden knockout of Alfredo Duvergel of Cuba for the light-middleweight gold medal.

Some said that big punch came from some small town in Georgia, others said it had come from Philadelphia, where Reid, the United States' only boxing gold medalist, lives. But the man in the orange shirt sitting near ringside knew where that punch came from. He had seen that punch dozens of times on videotape, and he knew it came from Kinshasa, Zaire, because that's where he threw it in 1974 to knock out George Foreman and regain the heavyweight title.

Vantage Point / DAVE ANDERSON

The man in the orange shirt, walking slowly and stiffly, had arrived early in Sunday's finals. When he was introduced, he stood and waved and blew kisses to the crowd that responded to him the way crowds always do.

"Ali, Ali," they chanted. "Ali, Ali." Thirty-six years ago in Rome a brash boxer named Cassius Clay danced to the light-heavyweight gold. On his return to Louisville, Kentucky angry over being treated "like a nigger" in his hometown, he said he flung his medal into the Ohio River.

That boxer won the world heavyweight title three times, once as Cassius Clay, twice as Muhammad Ali.

During the opening ceremony he lit the Olympic flame. On Saturday, at halftime of the U.S. men's basketball gold-medal victory, Juan Antonio Samaranch, the president of the International Olympic Committee, draped another gold medal over Ali's head to replace the one in the Ohio River's muddy bottom.

On Sunday the man in the orange shirt was where he belongs, in a boxing arena.

"Ali, Ali," the people were still chanting so he stood up and waved again. "Ali, Ali."

Over the next hour maybe two dozen people stopped by to pose for a snapshot with the man in the orange shirt. So did a toweling man in a white sport shirt with a "Cuba" logo on it. Teofilo Stevenson, the Olympic heavyweight champion in 1972, 1976 and 1980.

Seeing the huge Cuban, the man in the orange shirt leaned over to him.

"He asked about me and my family," Stevenson would say later. "He met them when he was in Cuba in May."

Not long after that Reid walked past on his way to the ring. After two rounds he trailed 15-5. In the corner, Al Mitchell, the U.S. coach, realized his protégé was too far behind to win on points.

"You can't win this boxing," Mitchell said. "You got to go for it. You got to go for the K.O."

Early in the final round Reid threw the same overhand right that Ali had thrown in spinning Foreman out onto the canvas in the eighth round in Zaire.

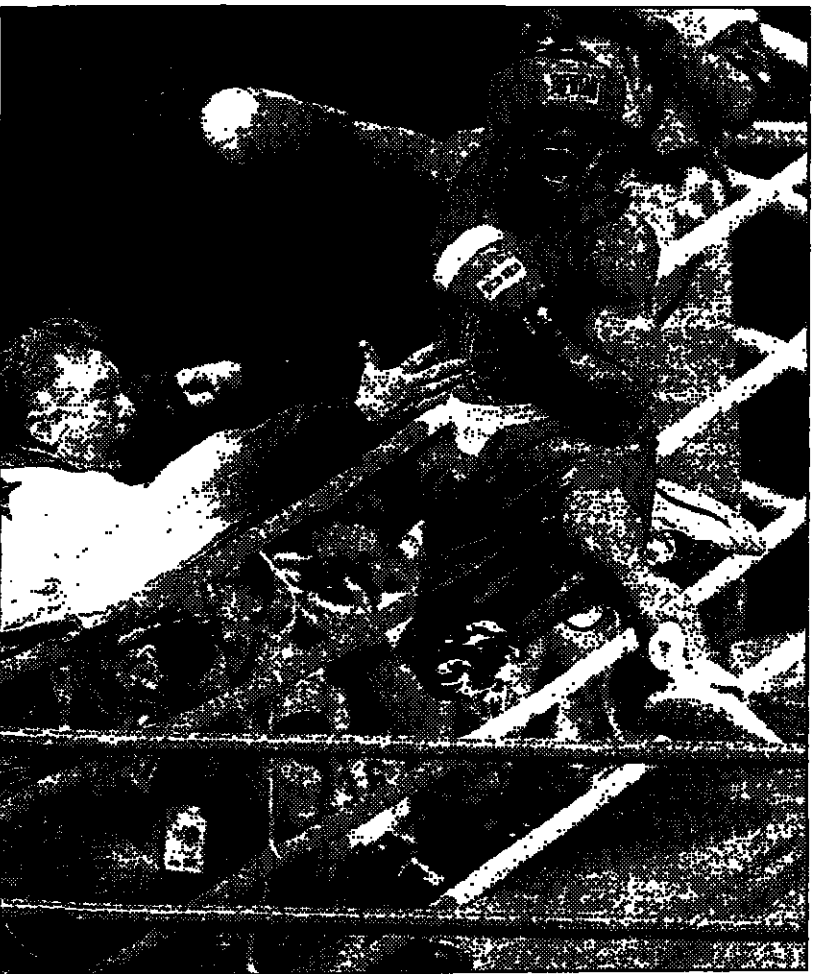
On the way out Reid stopped to talk to the man in the orange shirt. "He said, 'You a bad boy,'" Reid said.

Reid knew that "You a bad boy" was the ultimate compliment for one of the most theatrical knockouts in Olympic boxing history.

"It was a very special moment," Reid said. "I put myself right there with the champions that won a gold medal: George Foreman, Joe Frazier, Ali."

Not long after that, the man in the orange shirt, faded blue jeans and white sneakers, with a burly Atlanta policeman at his side, walked stiffly and slowly out of the arena. He had seen enough. He had even seen the punch he threw in Zaire.

In other gold-medal bouts Sunday, the Cuban flyweight Maiko Romero edged Bulat Damsadilov of Kazakhstan, and featherweight Somluck Kamsing gave Thailand its first-ever Olympic gold medal by beating Serafim



David Reid reacting after he knocked out Alfredo Duvergel to win the gold.

Dutch Outlast Italians in Volleyball Final

By William C. Rhoden
New York Times Service

ATLANTA — For the last three years, the Netherlands has played a frustrating, global game of chase with Italy in men's volleyball.

In 1993 the Dutch chased Italy to Finland, but finished second to the Italians in the European championship. In 1994 they chased Italy to Greece, but finished second once again, this time at the world championship. Last year they went back to Greece and lost to Italy in the European championship again, then chased Italy to Japan and finished second in the World Cup.

Finally, the Netherlands scored a five-set World League victory over the Italians last June in Rotterdam, but it wasn't enough to keep Italy from being regarded as the heavy pre-tournament fa-

vorite for the Atlanta Games.

Sunday, on the last day of the Olympics in the gold-medal match, the Netherlands upset Italy, three sets to two. The scores were 15-12, 9-15, 16-14, 9-15, 17-15.

As Andrea Giani of Italy watched his futile shot sail into the net for the final point, the orange-clad Dutch fans circled the court erupted into cheers and chants as the players hugged each other. The Netherlands had won its first gold medal in Olympic volleyball.

The Netherlands climbed its first emotional mountain in the first set, overcoming a 6-4 deficit and won, 15-12. Though not known as a strong serving team, the Netherlands won the 13th point of the set with a service ace — the first of two in the match.

The Netherlands raced to a 4-1 lead in the second set, but Italy, playing with

characteristic aggressiveness and swag, roared back and won it handily.

In the third set the Netherlands jumped to a 4-1 lead, but Italy stormed back and built leads of 8-5 and 11-10. Italy went up by 12-10, but the Netherlands scored three consecutive points to take a 13-12 lead. Italy scored twice, but the Netherlands won the last three points to go two-sets-to-one ahead.

Italy won the next set to force a fifth and deciding set, which the Netherlands won.

For all of Italy's success against the Netherlands in the previous three years, the loss Sunday reopened a wound the Netherlands inflicted in 1992 at the Barcelona Games, when the Dutch upset Italy in the quarterfinals.

Earlier, Yugoslavia won its first men's volleyball medal, beating Russia for the bronze, 15-8, 7-15, 15-8, 15-9.

Todorov of Bulgaria; the light-welterweight Hector Vinent brought Cuba's gold-medal tally to four by defeating Oktay Urkal of Germany; the light-heavyweight Vasili Jirov of Kazakhstan beat Lee Seung-Bae of South Korea; and Vladimir Klichko of Ukraine won the super-heavyweight gold medal over Paca Wolgramm of Tonga. (LAT)

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ART BUCHWALD

A Deal for Hitler

WASHINGTON — There is not too much action on the war-crimes trial front concerning Bosnia and Serbia. The reason is that the allies, including the United States, don't want to offend the Serbs or Croats or Muslims — or any other rapists and torturers who have been running the show for such a long time. While not condoning war crimes, the West still insists they're none of our business.



Buchwald

It doesn't take much to wonder how the Allies would have handled the Hitler dilemma in 1945 had they played by the rules of the Serbian atrocities.

The U.S. diplomats find Hitler in his bunker.

He is about to commit suicide when an assistant secretary of state says, "Adolf, don't kill yourself. We're here to make a deal."

"It better be good," Hitler says, toying with a poisoned cream puff.

"We're willing to forget the past if you resign as chancellor of Germany and guarantee a cease-fire."

"Does that mean I can no longer resort to murder, torture, rape and pillaging?"

"We're afraid so. If you agree to observe human rights in the future, we'll even forgive all your past misdeeds."

"Can I keep my house in Berchtesgaden?"

"Of course."

"You also get to keep your bunker here in Berlin. The West holds no grudges once a war is over."

Hitler confers with his mistress, Eva Braun. Then he

asks, "Do I have to be tried at Nuremberg?"

"The United States can arrange for the court to come to you. We don't want you to be inconvenienced in any way."

"Why are you so willing to make this deal?"

"Because, Adolf, we don't have the authority to bring you to trial in chains. All we can ask you to do is appear in front of the war-crimes tribunal and explain why you slaughtered so many innocent people. If you do this for us, we'll find you a nice job in Argentina."

"Am I the only one being offered amnesty?"

"No, everyone is, including Martin Bormann, Hermann Goering and Heinrich Himmler."

"Our only concern is making Germany quit the war, and we'll let bygones be bygones."

"I would like an apology from the Allies for destroying my army and all my buildings."

"We don't have the authority to do that."

"Well, get it."

"Now don't get excited, Adolf. Everything can be worked out."

"The secretary of state is aware of all the terrible acts you have committed, but we have to think of our own self-interests."

"Anything is possible if you resign and let Germany have free elections."

Hitler asks, "Will Britain and France agree to let bygones be bygones?"

"Of course, otherwise we wouldn't be here."

Gingrich the Novelist Fails to Win Readers' Vote

By David Sreifeld
Washington Post Service

WASHINGTON — It's enough to make you feel sorry for Newt Gingrich. He dared to write a novel at a time when few people even dare to read them. And people sure didn't dare buy "1945," the science-fiction tale written by the speaker of the House and two collaborators. For every 100 copies that his hopeful publisher sent forth into the world, 81 came back, unsold.

They sit now, 97,341 shiny, unloved hardcovers, in a warehouse in Bristol, Pennsylvania. "I'm trying to figure out what to do with them," says the publisher, Jim Baen. "No reasonable offer refused."

Barring the unexpected, Baen has two options: Find someone to buy the books for about a buck each, which means they'll eventually show up as \$2.98 specials in the back of bookstores, or, failing that, give the copies away to someone who will convert them to pulp.

In this latter process, Baen explains, "the books first are shredded, then become a sort of book soup, then paper." Not paper for new books, but for the bathroom.

That would certainly be an ignoble ending to a venture that, only a year ago, had such promise. Rarely has a novel made so much noise before it was even published. The New York Times wrote excitedly about the "pouting sex kitten" featured in an early draft. The Washington Post devoted a front-page story to the flap about a walk-on character, a certain Lieutenant George Bush, being characterized as "goofy."

Baen, a prominent science-fiction publisher who runs the eight-employee Baen Books out of an office in a tony section of the Bronx, never dreamed of such attention when he signed it up. The book's advance was a relatively modest \$45,000, split equally among Gingrich, the co-writer, William R. Forstchen, and the "technical editor," Albert S. Hamer.

During those semi-hysterical days after the 1994 Republican electoral rout, when everything Gingrich said or did was front-page news, Baen couldn't believe his great good luck. "It was as if Santa Claus had landed on my roof," he said. "This is the book that would have made me a potential

player on a big scale." At one point he was planning to print 200,000 copies. "The number went down, but not nearly far enough." He calls the experience "basically the biggest disappointment of my life."

The last words of "1945" are "to be continued," but it won't be soon. The sequel, "Fortress Europa," was tentatively scheduled for release this month. But now it exists only in outline.

There are several theories about why "1945," a weapons-heavy novel about America's valiant fight against a triumphant Third Reich, bombed so big. First, of course, is the possibility that it was horrible. Some key words from Jonathan Yardley's review in The Post: "moronic," "techno-babble," "torture," "downright embarrassing."

But there were some good reviews, too. Asimov's, the leading science-fiction magazine, deemed it enjoyable. "Solid, well-researched and adequately written," said The Atlanta Journal-Constitution. "A gripping read," enthused The National Review. Apparently none of these helped.

Besides, even horrible novels sometimes sell very well — just take a look at the best-seller list. So another theory is that people just weren't interested in a politician's storytelling skills.

Another possibility, one favored by Baen, is that HarperCollins, the publisher of Gingrich's nonfiction "To Renew America," knew that there were only a limited number of consumer dollars to be spent on books by Gingrich, and used its muscle to make sure its book got the cash. HarperCollins ran Gingrich's publicity tour last August, and got the lion's share of the attention.

"To Renew America," which like "1945" was published a year ago, certainly did much better than the novel. It was a No. 1 best-seller, and Gingrich made a bundle. But if you really want to feel bad for the speaker, consider the amount of money he forfeited when bad publicity forced him to give up his \$4.5 million advance.

For those who have forgotten: Two weeks before the Georgia Republican became speaker in January 1995, he sewed up a deal with HarperCollins for a \$4.5 million advance for two books, a political treatise and an anthology on democracy. The stupendous sum gave the Democrats a wedge to attack



"1945": A bad year for Newt Gingrich.

Gingrich for cashing in on his political connections, and provoked disquiet among Republicans as well. He quickly backed off, taking a token \$1 advance instead.

The difference so far to Gingrich? About \$3 million.

A publisher's advance is the minimum that a writer is guaranteed to earn. Even if both nonfiction books tanked, Gingrich

would still have had his \$4.5 million. Instead, he was forced to earn his money one book at a time, the way all House members will from now on; late last year, prompted by the Gingrich imbroglio, the House voted to ban advances for its members.

In Gingrich's 1995 financial disclosure statement, he said he had received \$1.22 million in royalties from HarperCollins. So far this year, he's gotten another \$282,000.

Out of this, he agreed to pay his agent the 15 percent commission she would have earned on the \$4.5 million deal, which must be like paying the tip for a lavish but uneaten meal. So subtract \$675,000.

Gingrich also fulfilled a promise to give to charity any royalties from books signed on his tour. That totaled \$47,716. Fees to a co-writer and researcher, plus expenses for the book tour, came to \$140,772 more, according to the disclosure statement.

That leaves about \$640,000 before the ultimate Gingrichian scourge — taxes. More money will filter in — 300,000 paperback copies of "To Renew America" were published last month, but the royalty rate is half that of the hardback, and the price is only \$6.99. According to HarperCollins, the book is not on any best-seller lists.

What about the promised anthology? Well, like the second novel, it's on a slow track. The best scenario is that it will be delivered to the publisher in about a year, and published a year after that. Maybe Gingrich will again be hot. But it'll be tough.

Gingrich's agent, Lynn Chu, says Gingrich has taken the disappearance of the \$3 million philosophical "He's a conservative. He knows that life is sometimes unfair." To Chu, this sequence of events underlines the importance of big advances.

"It's usually in the writer's interest to get as much money as he can upfront," she says. It's the old bird-in-the-hand philosophy. Or maybe "take the money and run."

This month Baen is publishing 110,000 copies of a softcover edition of "1945," hoping that what failed at \$24 will prosper at \$6.99. The destiny of these books will be supermarkets and drugstores, rather than Borders and Barnes & Noble. Showing the sort of delirious enthusiasm that a publisher has to have just to get out of bed in these trying times, Baen is confident the book will be big. Real big. "Surely," he says, "there are 10 million people out there who would crawl over broken Coke bottles for Newt." All he needs is a few of them.



SCARY SHOPPING — A Berlin shopper checking out the "Psycho Shower Curtain," with its scene from the Alfred Hitchcock movie.

ESQUIRE wanted a candid shot of the president, so it enlisted the help of a photographer with some serious White House connections — Chelsea Clinton. She produced a picture of a relaxed Bill Clinton swinging a golf club in the secluded Treaty Room of the White House. The room is off-limits to photographers. "Only someone with Chelsea's connections could have obtained such a rare photograph of the president," Esquire said. It appears with an article by Taylor Branch, who left his camera with Clinton and asked if Chelsea could take his picture.

Joe Klein, the no-longer-anonymous author of the political novel "Primary Colors," returns to Newsweek as a columnist in this week's issue. Newsweek's editor in chief, Richard M. Smith, writes of the magazine's situation in going along with Klein's deception. "We understand the concern this has raised with some readers, and we will never allow ourselves to be put in that situation again." He emphasizes that the magazine accepted Klein's re-

grets and that "we think readers are entitled to hear his superb commentary." In a column headlined "Monumental Callosities," Klein writes that the debate over welfare reform has been driven by demagoguery.

Macaulay Culkin is so upset about his parents' custody battle over him and his six siblings that he's giving up acting until the situation is resolved, according to the New York Daily News. And the 15-year-old is ready to dip into his estimated \$17 million fortune to save his parents from financial ruin, the newspaper added, quoting lawyers and financial advisers for the "Home Alone" star. The star's father, Christopher (Kit) Culkin, 51, and his mother, Patricia Brentrup, 40, have spent so much on their legal squabbles that they're near bankruptcy, the paper reported.

Elvis is dead, the many sightings notwithstanding. "I went to the casket and looked, I betcha, 50 times," says

Mary Jenkins, who worked 26 years for Elvis, 14 of them as his cook. Jenkins is set to appear in "The Burger and The King: The Life and Cuisine of Elvis Presley," a television documentary on Presley's eating habits from trim childhood to overweight adult. "He said that's the only thing he got out of life, the only thing he loved — eating," says Jenkins. "For breakfast, he'd have homemade biscuits fried in butter, sausage patties, four scrambled eggs, and sometimes fried bacon."

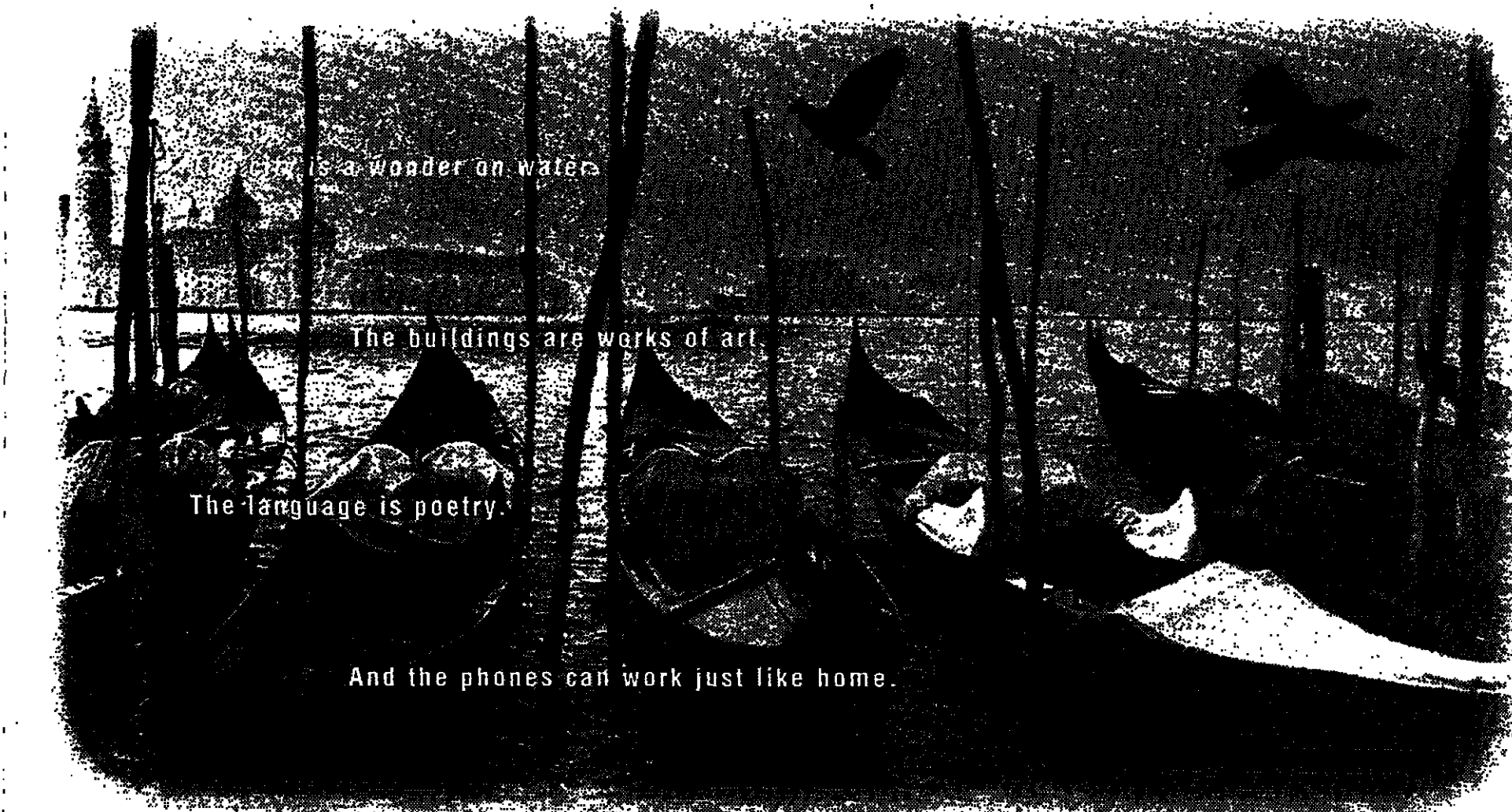
Queen Elizabeth the Queen Mother has celebrated her 96th birthday with cake and with more than 1,000 of her loyal subjects gathered at the royal residence at Sandringham, in eastern England. They sang "Happy Birthday," 50 children presented bouquets and six toastmasters drank to her health from a bottle that holds as much as 20 of the regular size. The Queen Mother, known as the Queen Mum, walked around for 32 minutes, saying thank you to well-wishers. Last year she underwent a total hip replacement. The party

was followed by a lunch with Prince Charles and his sons, Prince William and Prince Harry.

The former Massachusetts governor and presidential candidate Michael Dukakis and his wife, Kitty, were hospitalized briefly in Boston with whiplash after she lost control of their car. The couple were on a busy Boston street when the car sideswiped a wall, a state police spokesman said. Pieces of the wall hit another car, causing minor injuries to its occupants. X-rays of the Dukakis showed no serious injuries.

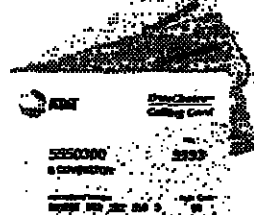
To get Robin Williams in the right mood to play a 10-year-old boy in "Jack," Francis Ford Coppola took him camping. Coppola, Williams and seven young actors spent two weeks playing basketball, fishing and sleeping outside so Williams could remember being 10. "They swam together, ate peanut butter and jelly sandwiches and had food fights," Coppola said. "All those memories started coming back."

PEOPLE



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